

EXHIBIT 8

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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AGCS MARINE INSURANCE COMPANY,

Plaintiff, :

- against -

WORLD FUEL SERVICES, INC. and WORLD FUEL
SERVICES EUROPE, LTD.,

Defendants. :

-----x

88 Pine Street
New York, New York
July 15, 2015
10:15 a.m.

EXAMINATION BEFORE TRIAL of ROBERT
BARTSCH, a Non-Party Witness herein, taken by the
Plaintiff and Defendant, pursuant to Court
Order, held at the above-mentioned time and place,
before Michelle Lemberger, a Notary Public of
the State of New York.

1 Bartsch
2 Q. And what is your residential
3 address?
4 A. It's 20 Indian Run, Watchung, New
5 Jersey, 07069.
6 Q. And by whom are you currently
7 employed?
8 A. Willis.
9 Q. Is that Willis of New York?
10 A. Willis of New York.
11 Q. And what is the address of the
12 office that you work out of?
13 A. It's 200 Liberty Street, New York,
14 New York 10281.
15 Q. Mr. Bartsch, have you ever testified
16 in a deposition before?
17 A. Yes.
18 Q. On how many occasions?
19 A. Once.
20 Q. How long ago?
21 A. 30 years.
22 Q. What was the subject matter of that
23 deposition?
24 MR. MYERS: You must have been
25 five years old.

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1 Bartsch
2 A. It was a claim, yes.
3 Q. A marine cargo claim?
4 A. Marine stock through put claim.
5 Q. What was the issue in that
6 litigation?
7 A. It was regarding whether the claim
8 should be payable under which section of the
9 policy.
10 Q. What sections were involved?
11 A. Strikes, riots and civil commotions
12 or the inventory section of the policy.
13 Q. Was that policy in the nature of all
14 risk insurance contract?
15 A. Yes.
16 Q. Because your deposition was taken
17 that long ago, I am going to review with you
18 some of the rules that we follow in taking
19 depositions, which helps present a more,
20 let's say a clearer record.
21 The first rule is, as you can tell,
22 this matter is being transcribed by a court
23 reporter. The effect of the transcription is
24 that the court reporter can only record one
25 speaker at a time. So I ask you to await the

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1 Bartsch
2 finish of my question before answering. Do
3 you understand that instruction?
4 A. Yes.
5 Q. Are you represented by counsel
6 today?
7 A. Yes.
8 Q. You are free to have a conference
9 with your counsel at any time during these
10 proceedings, however, I request that any kind
11 of conference does not take place between my
12 question and your response. Do you
13 understand that request?
14 A. Yes.
15 Q. Again, because this matter is being
16 transcribed, the court reporter cannot take
17 down any responses which are not oral or
18 verbal. Do you understand that?
19 A. Yes.
20 Q. Do you also understand that words
21 like um-hum and the like cannot always be
22 interpreted accurately, so we ask that you
23 answer with a yes or no or more suitable
24 verbal by word response. Do you understand
25 that instruction?

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1 Bartsch
2 A. Yes.
3 Q. To the extent that you do not
4 understand any of my questions, whether
5 because of a word, phrase or entire inquiry,
6 which is possible, I would like you to direct
7 my attention to that part of the question
8 that causes you any kind of confusion, so
9 that we can come to a common comprehension of
10 that question and your answer will be deemed
11 responsive; do you understand that
12 instruction?
13 A. Yes.
14 Q. Did you do anything to prepare for
15 today's deposition?
16 A. Yes.
17 Q. What did you do?
18 A. Just visited counsel.
19 Q. And for what period of time did you
20 visit counsel?
21 A. Three hours yesterday.
22 Q. And at that time did you review any
23 documents?
24 A. Yes.
25 Q. Did those documents assist you in

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| 1 | Bartsch | 1 | Bartsch |
| 2 | refreshing your recollection concerning the | 2 | A. Yes. |
| 3 | events surrounding this policy? | 3 | Q. Do you recall the date the notice |
| 4 | A. Yes. | 4 | was sent? |
| 5 | Q. Can you identify the documents that | 5 | A. No. |
| 6 | you reviewed? | 6 | Q. Your communications that you |
| 7 | A. One was the policy. | 7 | reviewed, did they take place before or after |
| 8 | Q. Anything else? | 8 | the notice of claim was sent to AGCS? |
| 9 | A. Just a few e-mails. | 9 | A. After. |
| 10 | Q. Do you recall by whom -- with whom | 10 | Q. Can you recall the subject matter of |
| 11 | or by whom those e-mails were sent or | 11 | those e-mails? |
| 12 | received? | 12 | A. No. I mean -- various. |
| 13 | A. Various e-mails. | 13 | Q. All right. We will get into more |
| 14 | Q. I understand they are various. Can | 14 | detail. |
| 15 | you be more specific, if you can? | 15 | What is your current position at |
| 16 | A. E-mails from myself. | 16 | Willis? |
| 17 | Q. All right. And to whom were those | 17 | A. Senior vice president cargo |
| 18 | e-mails addressed, if you recall? | 18 | division. |
| 19 | A. I can't recall. | 19 | Q. Is that a marketing title or are you |
| 20 | Q. Were those e-mails addressed to | 20 | actually a corporate officer of Willis |
| 21 | World Fuels? | 21 | New York? |
| 22 | A. Yes. | 22 | A. Marketing, marketing placing broker. |
| 23 | Q. Did those e-mails take place in time | 23 | Q. Did you hold that position, same |
| 24 | before the claim arose? | 24 | position with Willis in 2013? |
| 25 | MR. MYERS: Objection. Form. | 25 | A. Yes. |
| [Page 10] | | [Page 12] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | A. No. | 2 | Q. For what period of time have you |
| 3 | Q. Did those e-mails -- did those | 3 | been employed by Willis? |
| 4 | e-mails take place subsequent to the claim | 4 | A. Since 1998. |
| 5 | arising? | 5 | Q. That would be to the present, 2015? |
| 6 | MR. MYERS: Same objection. | 6 | A. Yes. |
| 7 | Form. | 7 | Q. Now, before we go any further into |
| 8 | MR. SATNICK: You could answer. | 8 | your employment, past employment, can you |
| 9 | A. Oh, I could answer? | 9 | outline for me your educational background, |
| 10 | Q. Oh, yes. | 10 | starting with college. I don't need to go |
| 11 | A. I've always e-mailed the client | 11 | back to your high school days. |
| 12 | prior to and after. | 12 | A. Wagner College, Staten Island. And |
| 13 | Q. But I'm focusing your attention on | 13 | degree in business and an MBA in business. |
| 14 | the e-mails you reviewed in preparation for | 14 | Same school. |
| 15 | this deposition. | 15 | Q. What year did you get your |
| 16 | A. Yes. | 16 | undergraduate degree from Wagner College? |
| 17 | Q. Let me rephrase it this way. | 17 | A. 1976. |
| 18 | Did you send a first notice of claim | 18 | Q. And during what period of time did |
| 19 | involving the loss of the fuel oil? | 19 | you study for your MBA? |
| 20 | A. No. | 20 | A. Finished in '79. |
| 21 | Q. Is that by Mr. Frandsen? | 21 | Q. Did any of your formal education |
| 22 | A. Yes. | 22 | involve any courses or disciplines in |
| 23 | Q. Did you have knowledge of that | 23 | insurance? |
| 24 | notice of claim at the time it was being sent | 24 | A. Not specifically. |
| 25 | out? | 25 | Q. Attorneys hate the words not |
| [Page 11] | | [Page 13] | |

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| 1 | Bartsch | 1 | Bartsch |
| 2 | specifically. It means there might be | 2 | question, so if you would just pause |
| 3 | something unspecific. In general, did any of | 3 | before answering. |
| 4 | these courses touch on insurance? | 4 | MR. NICOLETTI: Let me remind |
| 5 | A. I can't recall. | 5 | you, the only person you should be |
| 6 | Q. And what was your first | 6 | taking instructions from is your |
| 7 | insurance-related employment after graduation | 7 | attorney. |
| 8 | from Wagner? | 8 | BY MR. NICOLETTI: |
| 9 | A. At W.J. Roberts Insurance Company. | 9 | Q. Did there come a time when you leave |
| 10 | Q. Was W.J. Roberts an insurance | 10 | W.J. Roberts; is that correct? |
| 11 | company or managing general agent? | 11 | A. Yes. |
| 12 | A. Managing agent. | 12 | Q. Where did you go? |
| 13 | Q. And for which insurance company? | 13 | A. Fred S. James. |
| 14 | MR. SATNICK: Wait until he | 14 | Q. And for what -- why did you go to |
| 15 | finishes his question before you | 15 | Fred S. James? |
| 16 | answer. | 16 | A. More money. |
| 17 | THE WITNESS: Sorry. | 17 | Q. It's always a good reason. I always |
| 18 | A. Albany Insurance Company. | 18 | tell the witness that. |
| 19 | Q. And for what period of time did you | 19 | A. The only reason. |
| 20 | work at W.J. Roberts? | 20 | Q. What kind of business did Fred S. |
| 21 | A. 1981 to 1983. | 21 | James conduct? |
| 22 | Q. And what position did you hold? | 22 | A. They were all lines insurance |
| 23 | A. Underwriter trainee. | 23 | broker. |
| 24 | Q. Any other position while at W.J. | 24 | Q. And what is an insurance broker? |
| 25 | Roberts? | 25 | A. An intermediary between the actual |
| [Page 14] | | [Page 16] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | A. No. | 2 | insured and the insurance community. |
| 3 | Q. You were never given an underwriting | 3 | Q. Do you have any understanding who |
| 4 | designation? | 4 | the insurance broker represents as the |
| 5 | A. No. | 5 | intermediary? |
| 6 | Q. Did you ever have any underwriting | 6 | A. Yes. |
| 7 | authority to bind and issue policies on | 7 | Q. Who does he represent? |
| 8 | behalf of Albany via W.J. Roberts? | 8 | A. The insured. |
| 9 | A. No. | 9 | Q. For what period of time did you work |
| 10 | Q. What line of insurance business were | 10 | at Fred S. James? |
| 11 | you being trained in? | 11 | A. 1981 to 1998. |
| 12 | A. Cargo. | 12 | Q. And what positions did you hold at |
| 13 | Q. Did you have any formal training? | 13 | Fred S. James, starting with the earliest and |
| 14 | A. No. | 14 | if it changes, give me the date it changed |
| 15 | Q. Was all of your training what we | 15 | and the new title or position? |
| 16 | describe -- what we call on-the-job training, | 16 | A. Just to let you know, the company |
| 17 | working with more senior underwriters? | 17 | was purchased by Sedgwick sometime in that |
| 18 | A. Yes. | 18 | time frame. |
| 19 | MR. SATNICK: Mind if I grab a | 19 | Q. Okay. So Fred S. James becomes |
| 20 | cup of coffee? | 20 | Sedgwick? |
| 21 | MR. NICOLETTI: Not a problem. | 21 | A. Yes. |
| 22 | MR. MYERS: While we are | 22 | Q. And Sedgwick is also an insurance |
| 23 | waiting, occasionally you will be | 23 | broker? |
| 24 | asked questions and if I can just ask | 24 | A. Same thing. |
| 25 | for the opportunity to object to the | 25 | Q. And they perform the same services |
| [Page 15] | | [Page 17] | |

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| 1 | Bartsch | 1 | Bartsch |
| 2 | for the insured? | 2 | A. Request information from the insured |
| 3 | A. Yes. Same personnel. I was vice | 3 | about their general exposures for transit. |
| 4 | president at Fred S. James, became senior | 4 | Q. You used the word transit. What |
| 5 | vice president through Sedgwick until I left. | 5 | relationship does the word transit have to |
| 6 | Q. For what period of time were you | 6 | cargo insurance? |
| 7 | vice president? | 7 | A. Transit insurance is just an aspect |
| 8 | A. I don't recall. About ten years. | 8 | of cargo insurance. |
| 9 | Q. And then you were promoted to senior | 9 | Q. And what other aspects of cargo |
| 10 | vice president? | 10 | insurance are there other than transit? |
| 11 | A. Yes. | 11 | A. There is inventory insurance, |
| 12 | Q. After the merge -- after the | 12 | there's domestic transit, there's |
| 13 | acquisition by Sedgwick -- | 13 | international transit. |
| 14 | A. Yes. | 14 | Q. Any other aspects? |
| 15 | Q. -- of the Fred S. James operation? | 15 | A. No. |
| 16 | A. Yes. | 16 | Q. When you say inventory, is that all |
| 17 | Q. Did your duties and responsibilities | 17 | for -- is that sometimes called warehouse |
| 18 | change at all when you changed title from | 18 | insurance? |
| 19 | vice president to senior vice president? | 19 | A. Yes. |
| 20 | A. No. | 20 | Q. Or warehouse coverage? |
| 21 | Q. That makes it easier. | 21 | A. Yes. |
| 22 | Can you tell me what your duties and | 22 | Q. Now, I gather there comes a time |
| 23 | responsibilities were while you worked at the | 23 | when you leave Sedgwick? |
| 24 | Fred S. James operation which ultimately was | 24 | A. Yes. |
| 25 | purchased by Sedgwick? | 25 | Q. Why did you leave Sedgwick? |
| [Page 18] | | [Page 20] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | A. Any client's need for marine cargo | 2 | A. Better opportunity at Willis. |
| 3 | insurance. | 3 | Q. More money again? |
| 4 | Q. Is your sole area of business | 4 | A. Yes. |
| 5 | operation the marine cargo area? | 5 | Q. I gather you worked at Willis from |
| 6 | A. Yes. | 6 | 1998 to the present time; is that correct? |
| 7 | Q. You have never done anything in the | 7 | A. Yes. |
| 8 | way of hull or P&I insurance; is that | 8 | Q. And what title or titles did you |
| 9 | correct? | 9 | have while at Willis? |
| 10 | A. Correct. | 10 | A. Same title, senior vice president. |
| 11 | Q. While at Sedgwick, did they give you | 11 | Q. What areas of insurance did you |
| 12 | any training to assist you in performing your | 12 | specialize in, if any? |
| 13 | job as the intermediary for the insured? | 13 | A. Cargo. |
| 14 | A. No. | 14 | Q. When you use the term cargo, are you |
| 15 | Q. Explain for me what your duties and | 15 | referencing marine cargo insurance or other |
| 16 | responsibilities were while you were at | 16 | types of cargo insurance? |
| 17 | Sedgwick, Fred S. James and then Sedgwick. | 17 | A. All types of cargo insurance. |
| 18 | A. Working with insureds, clients of | 18 | Q. That would also be airline, air |
| 19 | Fred S. James, Sedgwick to determine their | 19 | traffic and the like? |
| 20 | needs of insurance for cargo and to find the | 20 | A. Yes. |
| 21 | best possible policy to cover those needs for | 21 | Q. Trucking? |
| 22 | cargo insurance. | 22 | A. Trucking, yes. |
| 23 | Q. In performing the first function, | 23 | Q. Anything else? |
| 24 | determining the need of your client, the | 24 | A. Well, additionally warehouse |
| 25 | insured, how do you go about that? | 25 | insurance. |
| [Page 19] | | [Page 21] | |

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| 1 | Bartsch | 1 | Bartsch |
| 2 | risk, marine insurance? | 2 | A. It's a policy form designed by the |
| 3 | A. Depending on the type of commodity, | 3 | insurance broker and acceptable to the |
| 4 | yes. | 4 | insurance market. |
| 5 | Q. Can you explain the different | 5 | Q. When you say designed, what do you |
| 6 | insurances which may be purchased between | 6 | mean by designed? |
| 7 | what you have testified as the most limited, | 7 | A. Policy form that's written based on |
| 8 | which is FPA or free particular average, and | 8 | the collective knowledge of the marine staff. |
| 9 | the guaranteed outturn of all risk fields? | 9 | Q. At the brokerage house; is that |
| 10 | A. We have bulk oil clauses FP 13C, | 10 | correct? |
| 11 | which is similar to FPA, but it refers mostly | 11 | A. Right. |
| 12 | to bulk liquids. And you have all-risk | 12 | Q. And to put it another way, the terms |
| 13 | insurance, and I'm referring to bulk liquids. | 13 | and conditions are either authored or |
| 14 | All-risk insurance including contamination | 14 | proposed by the broker in its own broker |
| 15 | from an external course. And then you have | 15 | form; is that correct? |
| 16 | guaranteed outturn, which is all risk | 16 | A. Yes. |
| 17 | extended to include shortage, leakage, | 17 | Q. Did Willis have a broker form |
| 18 | howsoever arising. | 18 | policy? |
| 19 | Q. I believe most of your answers seem | 19 | MR. MYERS: Objection. Form. |
| 20 | to refer to bulk liquid insurance. Do you | 20 | MR. NICOLETTI: Strike that. |
| 21 | specialize in that? | 21 | Let's phrase it this way. |
| 22 | A. No. | 22 | Q. Does Willis have a broker form |
| 23 | Q. Putting aside bulk liquids for the | 23 | policy? |
| 24 | moment, are there any insurances available | 24 | MR. MYERS: Same objection. |
| 25 | between free and particular average for all | 25 | A. Yes. |
| [Page 26] | | [Page 28] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | risk for other commodities? | 2 | Q. When did it first have a broker form |
| 3 | A. Yes, but they are all extensions of | 3 | policy? |
| 4 | all risk. There is also with average | 4 | A. I don't recall. |
| 5 | coverage. | 5 | Q. Do you know who at Willis were |
| 6 | Q. Are some policies written on terms | 6 | responsible for authoring the Willis broker |
| 7 | which are broader than FPA but less than all | 7 | form? |
| 8 | risk? | 8 | A. Not the initial broker form, no. |
| 9 | A. Yes. | 9 | Q. Let's talk about the form, the |
| 10 | Q. Are you familiar with the term of -- | 10 | broker form which was issued for the World |
| 11 | the term company form policy? | 11 | Fuels account. |
| 12 | A. Yes. | 12 | Are you familiar with that Willis |
| 13 | Q. And what does that mean to you? | 13 | broker form? |
| 14 | A. Policy form issued by the actual | 14 | A. Yes. |
| 15 | insurance company used in their paper. | 15 | Q. Who authored that Willis broker |
| 16 | Q. And to be clear, in other words, it | 16 | form? |
| 17 | is the terms and conditions are proposed on a | 17 | A. Various brokers. |
| 18 | particular form which has been authored by | 18 | Q. Various -- |
| 19 | the insurance company? | 19 | A. Within Willis. |
| 20 | A. Yes. | 20 | Q. And who were the various brokers at |
| 21 | Q. Have you heard the term broker form? | 21 | Willis who authored the broker form which |
| 22 | A. Yes. | 22 | formed the basis of the World Fuels policy? |
| 23 | Q. And can you give me what you | 23 | A. I don't recall. It was six years, |
| 24 | understand to be the meaning of a broker form | 24 | seven years ago. |
| 25 | policy? | 25 | Q. Were you one of the people who |
| [Page 27] | | [Page 29] | |

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| 1 | Bartsch | 1 | Bartsch |
| 2 | authored that form? | 2 | Q. Is there a file at Willis which |
| 3 | A. Yes. | 3 | contains all the materials that led up to and |
| 4 | Q. Are any of the current brokers at | 4 | included the newly-issued broker's form? |
| 5 | Willis part of the group that authored the | 5 | A. I don't believe so. |
| 6 | policy form other than yourself? | 6 | Q. Do you recall the source materials |
| 7 | A. Yes. | 7 | which were used to create the Willis broker |
| 8 | Q. And who were they or are they? | 8 | form? |
| 9 | A. Steve Suzanski. | 9 | A. In general. |
| 10 | Q. Figures. Who else? | 10 | Q. Then give it to me. |
| 11 | A. Jim Delou. | 11 | A. Verbally? |
| 12 | Q. Who else? | 12 | Q. Yes. That's the only way we work in |
| 13 | A. I don't recall anyone else that's | 13 | this place. |
| 14 | still at Willis. | 14 | MR. SATNICK: When you said |
| 15 | Q. Anybody who has left Willis in the | 15 | give it to me, he thought you meant |
| 16 | interim that you recall who was part of this | 16 | the documents themselves. |
| 17 | group that created the Willis broker form? | 17 | MR. NICOLETTI: I'm sorry. |
| 18 | A. I'm sure there were, but I can't | 18 | MR. MYERS: That would be a big |
| 19 | recall. There's been several departures. | 19 | briefcase. |
| 20 | Q. Well, if you recall the departures, | 20 | A. In general, we review other brokers' |
| 21 | do you know who of those departed worked with | 21 | forms, we review underwriting company forms, |
| 22 | the group to create the Willis broker form? | 22 | and we look for the most favorable clauses |
| 23 | A. I would say three or four that have | 23 | from that collection, but also being fair to |
| 24 | departed were involved. | 24 | the insurance market. |
| 25 | Q. And who are they? | 25 | Q. Can you identify which brokers' |
| [Page 30] | | [Page 32] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | A. Joe Sheridan. | 2 | forms you at least reviewed as a source for |
| 3 | Q. Anyone else? | 3 | the ultimate form which became the Willis |
| 4 | A. Steve Ferran. | 4 | broker form which formed the basis of the |
| 5 | Q. Anyone else? | 5 | World Fuel policy? |
| 6 | A. I can't recall. | 6 | A. Marsh AI. |
| 7 | Q. Okay. Did you work -- did you, | 7 | Q. Anybody else on the broker's side? |
| 8 | yourself, work on any particular sections of | 8 | A. I don't believe so. |
| 9 | the Willis broker form? | 9 | Q. And on the company side, which forms |
| 10 | A. No. | 10 | did you look at to draw source material? |
| 11 | Q. Did you work on the entire policy | 11 | A. Yeah, I don't recall. It was quite |
| 12 | form? | 12 | a few years ago. |
| 13 | A. In general, yes. | 13 | Q. Now, is there one Willis broker form |
| 14 | Q. In creating this broker form, did | 14 | or are there various versions of that Willis |
| 15 | Willis compile materials from which it drew | 15 | broker form? |
| 16 | terms and conditions which it included in the | 16 | A. At this time there is one. |
| 17 | broker's form? | 17 | Q. At the time the World Fuel's policy |
| 18 | A. Yes. | 18 | was issued, was there one or more than one |
| 19 | Q. Did anyone maintain notes or drafts | 19 | Willis broker form? |
| 20 | concerning the changes to be made from the | 20 | A. One. |
| 21 | source materials which eventually found their | 21 | Q. The reason I ask that question, was |
| 22 | way into the broker's form? | 22 | there a time that you would modify the Willis |
| 23 | A. Not myself. | 23 | broker form on a company-by-company basis? |
| 24 | Q. Anyone else? | 24 | A. Yes. |
| 25 | A. I don't recall at all. | 25 | Q. This particular form is not one of |
| [Page 31] | | [Page 33] | |

1 **Bartsch**
2 **those, what I'll call specialized forms for**
3 **particular companies' use; is that correct?**
4 **A. We do tailor to World Fuel's needs.**
5 **Q. I understand that, but insofar as**
6 **presenting it to other insurers, you don't**
7 **have any other form but the Willis broker**
8 **form?**
9 **A. Correct.**
10 **Q. It's not tailored per underwriter;**
11 **is that correct?**
12 **A. Correct.**
13 **Q. In creating the broker's form which**
14 **is at issue here, in creating the form**
15 **itself, not the particular count that it was**
16 **issued for, did Willis liaison with any**
17 **insurance company for their input?**
18 **A. Yes.**
19 **Q. Who did Willis liaison with?**
20 **A. I don't recall, but it was at least**
21 **three or four carriers.**
22 **Q. Do you recall which carriers?**
23 **A. No.**
24 **Q. Was one of those carriers you**
25 **liaisoned with, would that have been AIG?**

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1 **Bartsch**
2 A. I just don't recall.
3 **Q. Would one of those have been AGCS?**
4 A. Again, I don't recall.
5 **Q. Now, when a company agreed to issue**
6 **a policy on the Willis broker form who takes**
7 **responsibility, Willis or the insurance**
8 **company, for assembling and compiling the**
9 **terms and conditions into an insurance**
10 **policy?**
11 A. Willis.
12 **Q. And does Willis have the authority**
13 **to issue that policy?**
14 MR. MYERS: Objection. Form.
15 MR. NICOLETTI: You can answer.
16 **Q. Do you know what the term issue**
17 **means?**
18 A. Yes.
19 **Q. What is your understanding of the**
20 **term issue?**
21 A. Have authority to sign it.
22 **Q. Does Willis have the authority to**
23 **sign its marine cargo broker forms that it**
24 **assembles for issuance by the underwriter?**
25 A. No.

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1 Bartsch
2 MR. MYERS: Objection. Form.
3 **Q. Do you understand the term binding**
4 **authority?**
5 A. Yes.
6 **Q. And what is your understanding of**
7 **that term?**
8 A. When insurance carriers give the
9 broker the authority to issue a policy and
10 sign and authorize the policy.
11 **Q. In the marine insurance area, does**
12 **Willis have any underwriters' authority to**
13 **bind coverage?**
14 A. No.
15 **Q. So once the terms and conditions are**
16 **agreed to in the Willis cargo form, and it's**
17 **assembled and put together by Willis, what is**
18 **the next step in the process to have that**
19 **policy take effect?**
20 MR. MYERS: Objection. Form.
21 A. Provide it to the insurance carrier
22 for their review.
23 **Q. And if they agree with the term --**
24 **with the way Willis assembles the policy, it**
25 **is then signed by the underwriter; is that**

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1 Bartsch
2 the process?
3 MR. MYERS: Same objection.
4 MR. NICOLETTI: You can answer.
5 A. Yes.
6 Q. Is that the procedure that was
7 followed with the World Fuels' policy at
8 issue here?
9 A. Yes.
10 Q. There is no perfect world here, but
11 how long -- what is the usual time period
12 between the underwriter's agreement to issue
13 the policy and Willis's assembly of that
14 policy to be sent to the underwriter?
15 A. About 30 days.
16 Q. And what document stands, if any,
17 stands in place of the policy until it's
18 assembled by Willis and actually signed and
19 issued by the insurance company?
20 A. The insurance carrier's binder.
21 Q. Is that sometimes also called a
22 confirmation of insurance?
23 A. Yes.
24 Q. In the case of World Fuel, did it
25 take 30 days for Willis to assemble the

[Page 37]

| | | | |
|-----------|---|-----------|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | clauses do you rely upon in providing that | 2 | It's not what he testified exactly. |
| 3 | answer? | 3 | Q. Is that your testimony? |
| 4 | A. Buyers' and sellers' interest clause | 4 | A. That in addition to some other |
| 5 | 16, FOB clause 69. | 5 | clauses. |
| 6 | Q. Anything else? | 6 | Q. Yes, but you picked out certain |
| 7 | A. Unpaid vendors insurance clause 71. | 7 | clauses. |
| 8 | Q. Anything else? | 8 | A. That was one of them. |
| 9 | A. And the sellers' interest clause, I | 9 | Q. Okay. Now, this clause reads, |
| 10 | believe 74. | 10 | regardless of the terms of purchase by the |
| 11 | Q. So it is your understanding then | 11 | assured from suppliers. |
| 12 | that those four clauses modify the first | 12 | MR. MYERS: Which clause are |
| 13 | paragraph of the bulk oil clause; is that | 13 | you in? |
| 14 | correct? | 14 | MR. NICOLETTI: 16. |
| 15 | A. I would say they are in conjunction | 15 | Q. Or the terms of sale by the assured |
| 16 | with. | 16 | for their customer, this policy subject to |
| 17 | Q. Okay. | 17 | all of its terms and conditions, attaches and |
| 18 | A. Yes. | 18 | fully covers the goods and/or merchandise |
| 19 | MR. SATNICK: Whenever you get | 19 | and/or property continuously from warehouse |
| 20 | a good moment, I would ask for a | 20 | to warehouse; do you see that? |
| 21 | biological break. | 21 | A. Yes. |
| 22 | MR. NICOLETTI: Not a problem. | 22 | Q. Is there anything in that clause |
| 23 | Let's go off the record, please. | 23 | that extends the coverage beyond warehouse to |
| 24 | VIDEOGRAPHER: Stand by, | 24 | warehouse? |
| 25 | please. The time right now is 11:35 | 25 | A. Not in that specific wording. |
| [Page 74] | | [Page 76] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | a m. and we are off the record. | 2 | Q. Well, any wording in that clause? |
| 3 | (Whereupon, a brief recess was | 3 | A. No. |
| 4 | taken.) | 4 | Q. So if I look at clause 16 then, the |
| 5 | VIDEOGRAPHER: This marks the | 5 | temporal period of coverage is warehouse to |
| 6 | beginning of videotape number two. | 6 | warehouse, correct? |
| 7 | The time right now is 11:49 a.m. and | 7 | A. Correct. |
| 8 | we are back on the record. | 8 | Q. Whether or not the insured has an |
| 9 | BY MR. NICOLETTI: | 9 | insurable interest beyond the final |
| 10 | Q. Mr. Bartsch, I don't want to | 10 | warehouse, this coverage terminates at the |
| 11 | misstate your testimony. So let me know if I | 11 | warehouse; isn't that correct? |
| 12 | understand you correctly. | 12 | MR. MYERS: Objection. Form. |
| 13 | In order to look for the final | 13 | Q. Based on this clause? |
| 14 | destination, destination as stated in the | 14 | MR. MYERS: Same objection. |
| 15 | bulk oil clauses, I have to read that clause | 15 | A. By this clause, this clause alone, I |
| 16 | in conjunction with other clauses in the | 16 | would say, yes, but, all clauses are taken in |
| 17 | policy. And one of the clauses you picked | 17 | conjunction with each other. |
| 18 | out was the buyers' and sellers' interest | 18 | Q. I'm just focusing on one clause at a |
| 19 | clause, clause 16; is that correct? | 19 | time. All right? |
| 20 | A. Yes. | 20 | Now, you say, is it your position |
| 21 | Q. Okay. And I believe you told me | 21 | that coverage continues for World Fuels' |
| 22 | that that clause would extend the coverage | 22 | shipment until World Fuels is paid? |
| 23 | until such time as World Fuels no longer had | 23 | A. And/or their interest ceases. |
| 24 | an insurable interest; do you recall that? | 24 | Q. Well, if they are not paid for it, |
| 25 | MR. MYERS: Objection. Form. | 25 | how does their interest cease? |
| [Page 75] | | [Page 77] | |

1 **Bartsch**
2 MR. MYERS: Objection. Form.
3 A. If the other party takes over the
4 insurable interest.
5 **Q. Well, if they haven't paid for it,**
6 **if the customer hasn't paid for it, how do**
7 **they take over the insurable interest?**
8 A. They don't.
9 **Q. Okay, fine. So, therefore, World**
10 **Fuels' coverage under this policy, based on**
11 **your testimony, continues until their**
12 **customer pays them; is that correct?**
13 MR. SATNICK: Objection to the
14 form. Asked and answered.
15 A. No.
16 **Q. When does it end?**
17 A. It ends when the actual product
18 reaches final destination.
19 **Q. And how do we define final**
20 **destination for purposes of World Fuels'**
21 **temporal period of coverage?**
22 MR. MYERS: Same objection.
23 Asked and answered.
24 A. The final destination --
25 **Q. And how --**

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1 **Bartsch**
2 A. -- is the ultimate customer.
3 **Q. So when the ultimate customer gets**
4 **the product, that's the final destination?**
5 A. Yes.
6 **Q. And the ultimate customer is the**
7 **person that purchased the fuel from World**
8 **Fuels?**
9 MR. MYERS: Objection. Form.
10 A. That could be one of them.
11 **Q. What's the other?**
12 A. It could be intercompany shipment.
13 **Q. Putting aside intercompany**
14 **shipments.**
15 MR. MYERS: Is there a question
16 pending?
17 MR. NICOLETTI: Yes.
18 A. In general terms, the ultimate
19 customer is final destination.
20 **Q. And for purposes of this particular**
21 **claim, the ultimate customer is supposed to**
22 **be the Department of Logistics, correct?**
23 MR. MYERS: Objection. Form.
24 MR. SATNICK: I'm sorry, can I
25 have the question read back?

[Page 79]

1 Bartsch
2 **Q. For purposes of the pending claim,**
3 **the shipment for the pending claim, the**
4 **ultimate customer was to be the Department of**
5 **Logistics; as far as World Fuels knew?**
6 MR. MYERS: Objection. Form.
7 A. I don't believe so.
8 **Q. Who was the ultimate customer, if**
9 **not the Department of Logistics, based on**
10 **World Fuels' knowledge?**
11 A. It was a contract with the DLA.
12 **Q. Right.**
13 A. To deliver fuel to customers along
14 the west coast to Africa.
15 **Q. Well the Department of Logistics is**
16 **the customer; is it not?**
17 A. Yes.
18 **Q. And they purchased the fuel which is**
19 **then given to various military installations;**
20 **is that correct?**
21 A. Yes.
22 **Q. So the customer is the Department of**
23 **Logistics?**
24 MR. MYERS: Objection. Form.
25 **Q. Is that correct?**

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1 **Bartsch**
2 A. Correct.
3 MR. SATNICK: Or was supposed
4 to be.
5 MR. NICOLETTI: Was supposed to
6 be, I agree with you on that.
7 **Q. So as far as World Fuels knew and**
8 **intended under this purported contract, the**
9 **ultimate destination was delivery to the**
10 **Department of Logistics; isn't that correct?**
11 MR. MYERS: Same objection.
12 MR. NICOLETTI: You can answer.
13 A. Yes, to the final port or ports in
14 this case.
15 **Q. Well or the final place which the**
16 **DOL designates?**
17 A. Correct.
18 **Q. And in this case, the DOL or the**
19 **impostor, as we will call it, designated --**
20 **didn't designate a port, did they?**
21 MR. MYERS: Objection. Form.
22 Foundation.
23 MR. NICOLETTI: You can answer.
24 A. I don't know.
25 **Q. Isn't it true they designated the**

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| | | | |
|-----------|---|-----------|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | Ocean Pearl as the place of delivery? | 2 | physical loss. Do you see that? |
| 3 | MR. MYERS: Same objection. | 3 | A. Um-hum. |
| 4 | Form. Foundation. | 4 | Q. What is your understanding of the |
| 5 | MR. NICOLETTI: You can answer. | 5 | words in this policy? |
| 6 | A. Again, I didn't read the claim | 6 | A. This contract of coverage. |
| 7 | documents, so -- | 7 | Q. The entire Willis form? |
| 8 | Q. I understand. I will represent to | 8 | A. Correct. |
| 9 | you that the Ocean Pearl was designated as | 9 | Q. And is that clause subject to all |
| 10 | the delivery point. That's the delivery | 10 | the terms and condition of the open cargo |
| 11 | point that's the ultimate destination. | 11 | policy? |
| 12 | MR. MYERS: Objection. Form. | 12 | MR. MYERS: Objection. Form. |
| 13 | MR. NICOLETTI: You can answer. | 13 | MR. NICOLETTI: You can answer. |
| 14 | MR. MYERS: Objection. Form. | 14 | MR. MYERS: Foundation. |
| 15 | Foundation. | 15 | A. Yes. |
| 16 | MR. SATNICK: Wait until | 16 | Q. It says this policy also covers |
| 17 | they're done with their little | 17 | physical loss incurred by the insured to the |
| 18 | colloquy dance here. | 18 | acceptance by the insured, its agents or |
| 19 | THE WITNESS: I'm sorry. | 19 | shipper, fraudulent bills of lading, shipping |
| 20 | MR. SATNICK: And wait when | 20 | receipts, messenger receipts, warehouse |
| 21 | it's all done. The only one who can | 21 | receipts or other shipping documents. |
| 22 | instruct you is me. So even though | 22 | Do you see that? |
| 23 | counsel is well intentioned in saying | 23 | A. Yes. |
| 24 | you can answer, it's only | 24 | Q. As the author of this contract or |
| 25 | instructions you receive from me. | 25 | one of the authors, do you have any |
| [Page 82] | | [Page 84] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | So when they're done | 2 | understanding of what the term other shipping |
| 3 | chattering, which seems to be going | 3 | documents mean? |
| 4 | on a lot lately, look over at me and | 4 | A. Yes. |
| 5 | I will give you a nod to say you may | 5 | Q. What is that understanding? |
| 6 | answer. | 6 | A. Any other documentation to supply |
| 7 | MR. NICOLETTI: Let's move on | 7 | and ship product to the ultimate customer. |
| 8 | for a moment and we will get back to | 8 | Q. Those documents are related to |
| 9 | that. | 9 | the -- are those documents necessary for the |
| 10 | MR. SATNICK: I thought you | 10 | actual transit of the coverage, transit of |
| 11 | guys liked each other. | 11 | the product? |
| 12 | MR. NICOLETTI: We don't. | 12 | MR. MYERS: Objection. Form. |
| 13 | MR. MYERS: Oh, I like you, | 13 | MR. NICOLETTI: You can answer. |
| 14 | John. | 14 | MR. SATNICK: You could answer. |
| 15 | MR. NICOLETTI: Speak for | 15 | MR. NICOLETTI: I'm trying to |
| 16 | yourself. | 16 | speed this along. |
| 17 | MR. SATNICK: What have I drawn | 17 | MR. SATNICK: What's that? |
| 18 | into here? | 18 | MR. NICOLETTI: I'm just trying |
| 19 | MR. NICOLETTI: Nothing. | 19 | to speed this along. |
| 20 | BY MR. NICOLETTI: | 20 | MR. SATNICK: I understand that |
| 21 | Q. Let me direct your attention now to | 21 | but you're taking my job away. |
| 22 | clause 37. It says fraudulent bills of | 22 | THE WITNESS: Now I forgot the |
| 23 | lading? | 23 | question. Sorry. |
| 24 | A. Yes. | 24 | BY MR. NICOLETTI: |
| 25 | Q. It says, this policy also covers | 25 | Q. Are the documents which you classify |
| [Page 83] | | [Page 85] | |

| | | | |
|-----------|---|-----------|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | as other shipping documents, are those | 2 | MR. NICOLETTI: I will restate |
| 3 | documents necessary for the actual carriage | 3 | it. |
| 4 | of the goods? | 4 | Q. Isn't it true you told Mr. Hornaday |
| 5 | MR. MYERS: Objection. Form. | 5 | that the pending claim did not involve |
| 6 | A. Yes. | 6 | fraudulent documents? |
| 7 | Q. Is a purchase order a shipping | 7 | MR. MYERS: Objection. Form. |
| 8 | document? | 8 | MR. SATNICK: You may answer. |
| 9 | A. It can be. | 9 | A. It's -- again, I don't recall. I |
| 10 | Q. Under what circumstances? | 10 | mean -- |
| 11 | A. Well, it forms the value of the | 11 | Q. Do you recall what Mr. Hornaday said |
| 12 | cargo that's being shipped. | 12 | to you? |
| 13 | Q. I understand it forms the value. | 13 | A. No. |
| 14 | Other than the value, does it have any | 14 | Q. By the way, this policy is an |
| 15 | purpose as a shipping document? | 15 | all-risk policy, isn't it? |
| 16 | A. It shows the purchaser and the | 16 | MR. MYERS: Objection of form. |
| 17 | seller. | 17 | Q. This policy is written on all-risk |
| 18 | Q. I understand that. But is that | 18 | form, isn't it? |
| 19 | necessary for the carriage of the goods by | 19 | A. Correct. |
| 20 | the common carrier? | 20 | Q. If it's written on all-risk form, |
| 21 | A. Well, you would need that to | 21 | why do you need clauses such as the clause of |
| 22 | facilitate other shipping documents. | 22 | bill of lading clause, the shore perils |
| 23 | Q. Right, but the purchase order itself | 23 | clause, the Inchmaree clause, the explosion |
| 24 | is not a shipping document; is it? | 24 | clause? |
| 25 | A. No. | 25 | A. Some of those clauses are American |
| [Page 86] | | [Page 88] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | MR. MYERS: Objection. Form. | 2 | Institute cargo clauses, which are standard |
| 3 | Q. For the pending claim, did you have | 3 | in the industry. |
| 4 | any discussion with anyone at World Fuels as | 4 | Q. I understand they are standard. But |
| 5 | to whether this claim involved fraudulent | 5 | if this is written, if this coverage which |
| 6 | shipping documents? | 6 | was issued by AGCS to World Fuels under |
| 7 | A. Yes. | 7 | clause 11 is written on an all-risk form, |
| 8 | Q. With whom did you have that | 8 | why do you need these other peril clauses? |
| 9 | discussion? | 9 | A. To further explain the coverage. |
| 10 | A. The risk manager. | 10 | Q. Any other reason? |
| 11 | Q. And who is that? | 11 | A. Some clauses extend coverage of all |
| 12 | A. David Hornaday. | 12 | risk. |
| 13 | Q. What did you say to Mr. Hornaday on | 13 | Q. Do any of these clauses extend the |
| 14 | that topic? | 14 | all-risk coverage that I've just mentioned? |
| 15 | A. I don't recall. | 15 | A. Which clause are you referring to? |
| 16 | Q. Isn't it true you told Mr. Hornaday | 16 | Q. The explosion clause. Wouldn't an |
| 17 | this claim did not involve fraudulent | 17 | explosion be part of an all risk? |
| 18 | shipping documents? | 18 | A. Yes. |
| 19 | MR. MYERS: Objection. Form. | 19 | Q. Wouldn't the Inchmaree perils be |
| 20 | MR. NICOLETTI: You can answer. | 20 | included in all risk? |
| 21 | MR. SATNICK: Foundation. | 21 | A. Yes. |
| 22 | Again, the only instruction | 22 | Q. Wouldn't the perils clause be |
| 23 | that you can abide by is my | 23 | included in an all-risk cover? |
| 24 | instruction. So let's read the | 24 | MR. MYERS: Objection. Form. |
| 25 | question back. | 25 | A. The shore perils clause? |
| [Page 87] | | [Page 89] | |

| | | | |
|-----------|--|-----------|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | the claim is being brought under the bulk oil | 2 | specific term applies? |
| 3 | clause guaranteed outcome provisions? | 3 | MR. MYERS: Objection. Form. |
| 4 | MR. MYERS: Objection to form | 4 | A. No. |
| 5 | and foundation. And asked and | 5 | Q. Mr. Bartsch, were you involved with |
| 6 | answered. | 6 | the initial communications between Willis and |
| 7 | MR. SATNICK: You can answer. | 7 | World Fuels where it was discussed that |
| 8 | Do you have an understanding given | 8 | Willis would become the broker of World Fuels |
| 9 | the fact that you already said you | 9 | for placing insurance? |
| 10 | didn't review the claim materials. | 10 | A. To some extent, yes. |
| 11 | A. I say the claim is brought under the | 11 | Q. And when did that take place? |
| 12 | bulk oil clauses guaranteed outturn wording | 12 | A. It was 2013. |
| 13 | in the policy, subject to the other clauses | 13 | Q. Is that the first time you had any |
| 14 | in conjunction with that term. | 14 | contact with World Fuels? |
| 15 | Q. But I believe you testified that if | 15 | A. Yes. |
| 16 | any particular term is contrary to the term | 16 | Q. And who was at the meeting? |
| 17 | set forth in bulk oil clauses, the bulk oil | 17 | MR. MYERS: Objection. Form. |
| 18 | clauses would be the superior clause -- | 18 | Q. Was there a meeting? |
| 19 | MR. MYERS: Objection. | 19 | A. Yes. |
| 20 | Q. -- and be effective; is that | 20 | Q. And who was at the meeting? |
| 21 | correct? | 21 | A. Many people. |
| 22 | MR. MYERS: Objection. Form. | 22 | Q. Can you identify those people? |
| 23 | Foundation, mischaracterizes the | 23 | A. All Willis people. |
| 24 | prior testimony. | 24 | Q. I'm sorry? |
| 25 | MR. SATNICK: I will object as | 25 | A. All Willis people and several oil |
| [Page 94] | | [Page 96] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | well since whatever he testified to | 2 | fuel risk management people. |
| 3 | before he testified to. It's a | 3 | Q. Let's start with World Fuels risk |
| 4 | matter of record. | 4 | management people. Was Mr. Hornaday there? |
| 5 | MR. NICOLETTI: You still have | 5 | A. Yes. |
| 6 | to answer. | 6 | Q. Okay. Who else? |
| 7 | A. I continue to say that it's all | 7 | A. They had a young lady working for |
| 8 | clauses are taken into conjunction with each | 8 | them at the time. |
| 9 | other in the policy. Bulk oil clauses, | 9 | Q. Do you recall her name? |
| 10 | guaranteed outturn coverage. | 10 | A. No. |
| 11 | Q. If any clause is contrary to a | 11 | Q. Anybody else? |
| 12 | clause in the bulk oil clauses, which takes | 12 | A. I don't recall. |
| 13 | precedence? | 13 | Q. When did this meeting take place, in |
| 14 | A. The broader clause. | 14 | the beginning of 2013, middle, end? |
| 15 | Q. The broader clause, not the bulk oil | 15 | A. I would say in the middle. |
| 16 | clause? | 16 | Q. Sometime during the summer of 2013? |
| 17 | A. Whatever the broader coverage is | 17 | A. Yes. |
| 18 | represented in the policy by a clause, that | 18 | Q. And who at Willis attended this |
| 19 | clause prevails. | 19 | meeting? |
| 20 | Q. And is there any statement or clause | 20 | A. Myself, Jerry Gallo, Thadd Wallace, |
| 21 | in this policy which supports that statement? | 21 | and five or six other Willis brokers. |
| 22 | A. There is no definition of that | 22 | Q. Who was there for purposes of the |
| 23 | nature in the policy. | 23 | marine insurance broker? |
| 24 | Q. Any words in this policy that say | 24 | A. Myself and Jerry Gallo. |
| 25 | that the broader term applies even where more | 25 | Q. Now, how did it come about that |
| [Page 95] | | [Page 97] | |

| | | | |
|------------|--|------------|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | me. | 2 | to understand what purpose this document |
| 3 | Q. Was it a checklist? | 3 | served, if any. |
| 4 | A. Pretty much. | 4 | A. This was intended to give us a |
| 5 | Q. Any other documents or information | 5 | presentation for the underwriters. |
| 6 | which you and Mr. Frandsen discussed that you | 6 | Q. Now, in presenting -- was this for |
| 7 | considered necessary to present to the AGCS | 7 | the marine policy? |
| 8 | as part of the claims submission? | 8 | A. I think -- |
| 9 | MR. MYERS: Objection. Form. | 9 | Q. Bartsch 8? |
| 10 | Foundation. You are assuming all of | 10 | A. Yes. |
| 11 | that in your prior questions -- | 11 | Q. Was any of the information contained |
| 12 | MR. NICOLETTI: You don't have | 12 | in Bartsch 8 sent to the underwriters as part |
| 13 | to -- we don't need a speaking | 13 | of the policy negotiations or solicitation? |
| 14 | objection. | 14 | MR. SATNICK: Or submission? |
| 15 | MR. MYERS: -- exist in your | 15 | MR. NICOLETTI: Solicitation or |
| 16 | prior questions. | 16 | submission. Submission is a |
| 17 | MR. NICOLETTI: We do not need | 17 | technical term for these people. |
| 18 | a speaking objection. You have | 18 | That's why I use the word |
| 19 | limited your objection to form. You | 19 | solicitation. |
| 20 | have stated your objection. | 20 | A. I don't recall if this specific |
| 21 | I would ask your counsel to ask | 21 | document went to the market. |
| 22 | you to answer the question. | 22 | Q. Did you draw -- were you the person |
| 23 | MR. SATNICK: Can I have the | 23 | who was responsible at Willis for soliciting |
| 24 | question back? I lost it. | 24 | quotes from the underwriters for the marine |
| 25 | (Whereupon, at this time, the requested | 25 | cargo policy? |
| [Page 118] | | [Page 120] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | portion was read by the reporter.) | 2 | A. Yes. |
| 3 | Q. For the pending loss. | 3 | Q. Did you use any or all of the |
| 4 | MR. MYERS: Same objections. | 4 | information contained in Bartsch 8 as part of |
| 5 | A. I don't recall. | 5 | that solicitation? |
| 6 | MR. NICOLETTI: Let's have this | 6 | A. Again, I don't recall. |
| 7 | next document marked as Bartsch 8. | 7 | MR. NICOLETTI: Let me have |
| 8 | It is W-WF-0003046 through and | 8 | this next document marked as 9. It |
| 9 | including 3065. | 9 | bears production numbers W-WF-0002954 |
| 10 | (Whereupon, at this time, the | 10 | through and including 2959. |
| 11 | reporter marked the above-mentioned | 11 | (Whereupon, at this time, the |
| 12 | presentation to brokers as Bartsch | 12 | reporter marked the above-mentioned |
| 13 | Exhibit 8 for identification.) | 13 | e-mail submission to Allianz as |
| 14 | BY MR. NICOLETTI: | 14 | Bartsch Exhibit 9 for |
| 15 | Q. Can you identify that document, | 15 | identification.) |
| 16 | Mr. Bartsch? | 16 | BY MR. NICOLETTI: |
| 17 | A. This is a World Fuel presentation to | 17 | Q. I'd like you to review that |
| 18 | the brokers. | 18 | document, Mr. Bartsch. |
| 19 | Q. So was it part of the initial | 19 | (Witness peruses document.) |
| 20 | process of obtaining the broker of record | 20 | Q. My first question is, can you |
| 21 | letter? | 21 | identify the first page of Bartsch number 9? |
| 22 | MR. MYERS: Objection. Form. | 22 | A. Yes. |
| 23 | Foundation and speculation. | 23 | Q. What is that? |
| 24 | A. I would say no. | 24 | A. An e-mail submission to Noreen at |
| 25 | Q. I'm trying to figure -- I'm trying | 25 | Allianz. |
| [Page 119] | | [Page 121] | |

| | | | |
|----|--|----|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | Q. And what part of this document is | 2 | A. Questions came from, the market |
| 3 | this submission itself? What part of Bartsch | 3 | answers came from World Fuel. |
| 4 | 9? Is it everything that follows the cover | 4 | Q. Do you know which underwriter asked |
| 5 | page? | 5 | what question or did you just put everything |
| 6 | A. Yes. | 6 | together in one big submission? |
| 7 | Q. At the time that you took this | 7 | A. Everything was consolidated into |
| 8 | account over, who underwrote the cargo policy | 8 | one. |
| 9 | for World Fuels? | 9 | Q. The first question says transit. |
| 10 | A. AIG. | 10 | Do you see that? |
| 11 | Q. Did you attempt to renew the policy | 11 | A. Yes. |
| 12 | with AIG? | 12 | Q. It says who is responsible for |
| 13 | A. I believe so. | 13 | transit in the flash title sales. What was |
| 14 | Q. And who else did you solicit, which | 14 | meant by responsible for transit? |
| 15 | other underwriters? | 15 | MR. MYERS: Objection. Form. |
| 16 | A. Katlyn. | 16 | Q. If you know. |
| 17 | Q. Anybody else? Was that Katlyn U.S. | 17 | A. Who was shipping the cargo. |
| 18 | or Katlyn London? | 18 | Q. Who was shipping the cargo? What do |
| 19 | A. U.S. | 19 | you mean by who was shipping the cargo? |
| 20 | Q. Anybody else? | 20 | A. The party that was shipping the |
| 21 | A. The London market. | 21 | cargo. |
| 22 | Q. When you say London market, who at | 22 | Q. Is it that the buyer; is that the |
| 23 | the London market were you soliciting? | 23 | seller? |
| 24 | A. Well, via Willis London. So -- | 24 | A. That's what was meant by transit. |
| 25 | Q. So it could have been more than one | 25 | Q. I know, but you say who was shipping |
| | [Page 122] | | [Page 124] |
| 1 | Bartsch | 1 | Bartsch |
| 2 | underwriting group in London; is that | 2 | the cargo. I'm trying to figure out who the |
| 3 | correct? | 3 | who is. Is that the buyer, is that the |
| 4 | A. Correct. | 4 | seller, is that World Fuels? |
| 5 | Q. Do you recall which underwriting | 5 | A. I mean, it says who is responsible |
| 6 | groups -- London underwriting groups were | 6 | for transit. |
| 7 | approached by your London office? | 7 | Q. Right. |
| 8 | A. No. | 8 | A. In flash title sales. |
| 9 | Q. Now, as we go into this document, on | 9 | Q. Right. |
| 10 | Bartsch 9, on W-WF-2957 there is a caption | 10 | A. And the response is the supplier or |
| 11 | which says, questions and answers towards the | 11 | the customer, depending on the transaction. |
| 12 | bottom. | 12 | Q. Am I to understand then in a flash |
| 13 | A. Yes. | 13 | title transaction, World Fuels is responsible |
| 14 | Q. Who posed those questions? | 14 | for neither of the -- is not responsible for |
| 15 | MR. MYERS: Objection to form. | 15 | the transit? |
| 16 | Q. If anyone. | 16 | MR. MYERS: Objection to form. |
| 17 | A. I don't recall. It was not me. | 17 | Foundation. |
| 18 | Q. Do you know where the source of this | 18 | A. I disagree. |
| 19 | question and answer section -- what is the | 19 | Q. I'm just trying to understand what |
| 20 | source of the question and answer section | 20 | you're telling me. |
| 21 | which appears in your submission? | 21 | A. Right. It could be either. |
| 22 | A. Who asked the questions? | 22 | Q. It could be either what? |
| 23 | Q. Where did you get the information | 23 | A. It could be either the customer, the |
| 24 | under question and answers that you submitted | 24 | supplier or World Fuel. |
| 25 | to the markets? | 25 | Q. Right, but in this document, it |
| | [Page 123] | | [Page 125] |

| | | | |
|------------|---|------------|---|
| 1 | Bartsch | 1 | Bartsch |
| 2 | MR. NICOLETTI: Let's have this | 2 | Q. Do you recall what you said to |
| 3 | next document marked as Bartsch | 3 | Ms. Brosnan? |
| 4 | number 10. It bears production | 4 | A. No. |
| 5 | numbers W-WF002942 and 2943. | 5 | Q. Do you recall what you said to |
| 6 | (Whereupon, at this time, the | 6 | Mr. McClintock? |
| 7 | reporter marked the above-mentioned | 7 | A. No. |
| 8 | e-mail correspondence regarding | 8 | Q. At any time did you discuss with |
| 9 | quotes as Bartsch Exhibit 10 for | 9 | either Ms. Brosnan or Mr. McClintock any of |
| 10 | identification.) | 10 | the specific terms and conditions in the |
| 11 | BY MR. NICOLETTI: | 11 | Willis form? |
| 12 | Q. Mr. Bartsch, during your | 12 | A. No. |
| 13 | solicitation for the marine cargo policy in | 13 | Q. At any time during your |
| 14 | 2013, was any of your solicitation over the | 14 | conversations with Ms. Brosnan and |
| 15 | phone? | 15 | Mr. McClintock, did you ever express your |
| 16 | A. To try and get the account? | 16 | understanding of the available coverages |
| 17 | Q. No. To try to place the account. | 17 | under the Willis form? |
| 18 | A. I'm sure, yes. | 18 | A. No. |
| 19 | Q. Did you speak -- who at -- I gather | 19 | Q. At any time during your |
| 20 | you were marketing it to London? | 20 | conversations with Ms. Brosnan or |
| 21 | A. Yes. | 21 | Mr. McClintock, did you ever express your |
| 22 | Q. But that was through your London | 22 | understanding of how the policy attached to |
| 23 | office; is that correct? | 23 | each individual shipment? |
| 24 | A. Yes. | 24 | A. No. |
| 25 | Q. Did you have any direct | 25 | Q. At any time you had conversations |
| [Page 130] | | [Page 132] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | communications with the London market? | 2 | with Ms. Brosnan or Mr. McClintock, did you |
| 3 | A. No. | 3 | ever discuss with them when coverage would |
| 4 | Q. With regard to the Katlyn placement | 4 | end for each particular shipment? |
| 5 | here in the United States, who at Katlyn did | 5 | MR. MYERS: Objection. Form. |
| 6 | you solicit? | 6 | A. Yes. |
| 7 | A. In all likelihood Alan Elias | 7 | Q. With whom did you have that |
| 8 | (phonetic). | 8 | conversation? |
| 9 | Q. Do you have any specific | 9 | A. Probably both. |
| 10 | recollection of any conversations with | 10 | Q. And what -- was that conversation in |
| 11 | Mr. Elias? | 11 | regard to any specific clause? |
| 12 | A. No. | 12 | A. No. |
| 13 | Q. With regard to AIG, who was the | 13 | Q. Was that conversation -- well, you |
| 14 | contact? | 14 | say you discussed with them when coverage |
| 15 | A. I don't recall actually. | 15 | would end for a particular shipment. What |
| 16 | Q. Do you recall any conversations that | 16 | was that in relation to if not the policy |
| 17 | you may have had? | 17 | terms and conditions? |
| 18 | A. No. | 18 | A. It was in relation to inventory. |
| 19 | Q. I believe the remaining solicitation | 19 | Q. Okay. It's the warehouse |
| 20 | went to Allianz; is that correct? | 20 | endorsement you're talking about? |
| 21 | A. Yes. | 21 | A. (Indicating). |
| 22 | Q. Who at Allianz did you speak with? | 22 | Q. Let me refine my question. |
| 23 | A. Noreen Brosnan. | 23 | Did you have any discussions with |
| 24 | Q. Anyone else? | 24 | either Mr. McClintock or Ms. Brosnan with |
| 25 | A. Brian McClintock. | 25 | regard to when coverage would end in regards |
| [Page 131] | | [Page 133] | |

[34] (Pages 130 to 133)

| | | | |
|------------|--|------------|---|
| 1 | Bartsch | 1 | Bartsch |
| 2 | to a transit coverage for a particular | 2 | A. No. |
| 3 | shipment? | 3 | Q. Now, during these conversations with |
| 4 | MR. MYERS: Objection. Form. | 4 | Mr. Hornaday, did you ever discuss with him |
| 5 | A. No. | 5 | how and when the policy would attach to each |
| 6 | Q. Let me direct your attention to | 6 | of the World Fuel shipments? |
| 7 | Bartsch 10. | 7 | MR. MYERS: Objection. Form. |
| 8 | Before I go there, did you speak to | 8 | A. No. |
| 9 | anyone other than your attorney about your | 9 | Q. Did you ever discuss with |
| 10 | upcoming deposition? | 10 | Mr. Hornaday or anyone else at World Fuels |
| 11 | A. Willis attorney. | 11 | when coverage would end in regards to these |
| 12 | Q. Other than the Willis -- | 12 | particular shipments for the transit portion |
| 13 | A. In-house. | 13 | of the policy? |
| 14 | Q. Did you speak to anyone at World | 14 | A. No. |
| 15 | Fuels about your upcoming deposition? | 15 | Q. Did they ever make inquiry of the |
| 16 | A. No. | 16 | duration of coverage for each of their |
| 17 | Q. Did you speak to any representative | 17 | shipments? |
| 18 | other than the Willis people of World Fuels | 18 | A. I don't recall. |
| 19 | concerning your upcoming testimony? | 19 | Q. If you had such conversation, would |
| 20 | A. No. | 20 | it be recorded in any writing? |
| 21 | Q. Let me go back to Bartsch 10. | 21 | A. Not necessarily. |
| 22 | Can you identify this document? | 22 | Q. Am I correct in my understanding |
| 23 | A. This is from myself to David | 23 | your testimony was there were times when you |
| 24 | Hornaday regarding the quotes from Allianz | 24 | would memorialize a telephone or in-person |
| 25 | and London. | 25 | conference and other times where you would |
| [Page 134] | | [Page 136] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | Q. And what about AIG? | 2 | not; is that correct? |
| 3 | MR. MYERS: Objection. Form. | 3 | MR. MYERS: Objection. Form. |
| 4 | Q. Did you have any conversations in | 4 | A. No. It's not correct. |
| 5 | connection with this e-mail about the AIG | 5 | Q. Okay. How is it not correct? |
| 6 | quote? | 6 | A. If there was something to do with |
| 7 | A. I would say, no. | 7 | coverage or the quotations and we spoke about |
| 8 | Q. Did Katlyn ever quote for this | 8 | it, it would generally be followed up in |
| 9 | marine cargo policy? | 9 | writing. |
| 10 | A. No. They offered quota share. | 10 | Q. Okay. So with regard to any oral |
| 11 | Q. In other words, they weren't willing | 11 | conversations you have had or may have had, |
| 12 | to take 100 percent of the risk, is that | 12 | it is your practice then if it concerns |
| 13 | correct? | 13 | coverage or premium, you make some form of |
| 14 | A. Yes. | 14 | note or confirming e-mail? |
| 15 | Q. Was it Willis' desire to place this | 15 | A. Generally, yes. |
| 16 | coverage with a single underwriter for 100 | 16 | Q. What are the exceptions? Attorneys |
| 17 | percent participation? | 17 | hate generally, that's why. |
| 18 | A. No. | 18 | A. I would say it's not a question on |
| 19 | Q. Why did you not pursue a quote share | 19 | the coverage itself, but just a general |
| 20 | interest that Katlyn expressed? | 20 | question with regards to the market and so |
| 21 | A. Their quote was not a lead quote. | 21 | forth. I would just do it verbally. |
| 22 | Q. Am I correct -- did any of the other | 22 | Q. Let me see if I understand this |
| 23 | underwriters express any interest of only -- | 23 | correctly. If you have a specific |
| 24 | of subscribe to participation or subscription | 24 | conversation about a quote on coverage, that |
| 25 | policy as the lead? | 25 | is something you will always memorialize in |
| [Page 135] | | [Page 137] | |

| | | | |
|----|--|----|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | warehouse at that time? | 2 | guaranteed out there more than we were |
| 3 | A. No. | 3 | accustomed to. |
| 4 | Q. There was no warehouse coverage? | 4 | Q. Are the bulk oil clauses basically |
| 5 | A. No. | 5 | printed clauses? |
| 6 | Q. Under what policy provision was the | 6 | MR. MYERS: Objection. |
| 7 | claim paid, do you know? | 7 | Objection. Form. Go ahead. |
| 8 | A. Fraudulent bill of lading. | 8 | MR. NICOLETTI: You can answer. |
| 9 | Q. And it was a document which caused | 9 | Q. You know what I mean by printed |
| 10 | the release of the cargo from the location, | 10 | clauses? |
| 11 | correct? | 11 | A. Bulk oil clauses, SP 13C are printed |
| 12 | MR. MYERS: Objection to form. | 12 | clauses. |
| 13 | A. Correct. | 13 | Q. And what about the guaranteed |
| 14 | MR. NICOLETTI: Let me have | 14 | outturn clauses? |
| 15 | this next document marked as Bartsch | 15 | A. No. |
| 16 | 12 for identification. It bears | 16 | Q. So you had discussions with |
| 17 | production control numbers | 17 | Ms. Brosnan and did you -- what did you do as |
| 18 | W-WF-0002812 through and including | 18 | a result of those conversations? |
| 19 | 002829. | 19 | A. We provided Noreen with the |
| 20 | (Whereupon, at this time, the | 20 | guaranteed outturn wording that we preferred. |
| 21 | reporter marked the above-mentioned | 21 | Q. That's what I was getting at. So |
| 22 | Allianz quote as Bartsch Exhibit 12 | 22 | you -- so when Ms. Brosnan gave you her quote |
| 23 | for identification.) | 23 | you were not completely satisfied with the |
| 24 | BY MR. NICOLETTI: | 24 | AGCS wording for bulk oil coverage guaranteed |
| 25 | Q. Mr. Bartsch, can you identify this, | 25 | outturn, and you, Willis, supplied them with |
| | [Page 154] | | [Page 156] |
| 1 | Bartsch | 1 | Bartsch |
| 2 | the top page of this document? | 2 | your terms and conditions for the bulk liquid |
| 3 | A. Yes. | 3 | or bulk oil clauses; is that correct? |
| 4 | Q. What is it? | 4 | A. Yes. |
| 5 | A. Noreen Brosnan's quote from Allianz | 5 | Q. And ultimately did Ms. Brosnan |
| 6 | on World Fuel. | 6 | accept those terms? |
| 7 | Q. And the balance of the document is | 7 | A. Yes. |
| 8 | what? | 8 | Q. Now, other than the discussions we |
| 9 | A. It's the actual quote. | 9 | just went through, did you have any other |
| 10 | Q. The actual quote itself? | 10 | discussions with Ms. Brosnan concerning her |
| 11 | A. Yes. | 11 | quote? |
| 12 | Q. Now, when you received this quote, | 12 | A. Could I refresh my memory? |
| 13 | did you have any conversations with Ms. | 13 | Q. That's why I gave you the quote. |
| 14 | Brosnan about insuring flash transactions? | 14 | (Witness peruses document.) |
| 15 | A. I don't recall. | 15 | A. I don't recall specific |
| 16 | Q. Do you recall having any discussions | 16 | conversations. |
| 17 | with Ms. Brosnan after receiving her quote? | 17 | Q. Do you recall generally what you |
| 18 | A. Yes. | 18 | talked about with Ms. Brosnan -- |
| 19 | Q. And what were those conversations? | 19 | A. No. |
| 20 | A. Again, I don't recall, but more | 20 | Q. -- concerning the AGCS quote? |
| 21 | refinement of the policy mostly guaranteed | 21 | A. No. |
| 22 | outturn wording. | 22 | Q. Now, if you note, you received a |
| 23 | Q. What part of the guaranteed outturn | 23 | quote from Ms. Brosnan on September 24, |
| 24 | wording were you discussing? | 24 | around 3:51 p m. in the afternoon. Do you |
| 25 | A. Their wording was not as broad as | 25 | see that? |
| | [Page 155] | | [Page 157] |

1 Bartsch
2 Q. So during these communications with
3 Mr. Hornaday, did you ever discuss with him a
4 temporal period of coverage for his
5 shipments?
6 MR. MYERS: Objection of form.
7 A. I'm sorry, say that again?
8 Q. During your communications with
9 Mr. Hornaday about the quotes, Allianz,
10 London, at any time did you ever discuss with
11 him how the Allianz policy would attach to a
12 particular shipment and for the period the
13 coverage would be in effect?
14 A. No.
15 MR. NICOLETTI: Let's mark
16 these next three documents as Bartsch
17 exhibits.
18 MR. SATNICK: 14, 15, and 16.
19 MR. NICOLETTI: Perfect.
20 MR. SATNICK: I'm keeping
21 track. I have to do something to
22 stay awake.
23 (Whereupon, at this time, the
24 reporter marked the above-mentioned
25 e-mail correspondence re coverage for
[Page 162]

1 Bartsch
2 storage as Bartsch Exhibit 14 for
3 identification.)
4 (Whereupon, at this time, the
5 reporter marked the above-mentioned
6 revised quote from Allianz as Bartsch
7 Exhibit 15 for identification.)
8 (Whereupon, at this time, the
9 reporter marked the above-mentioned
10 e-mail re revised quote as Bartsch
11 Exhibit 16 for identification.)
12 MR. NICOLETTI: Bartsch 14 will
13 bare production control numbers
14 W-WF-0002786, include and including
15 2788.
16 Bartsch 15 will consist of
17 documents bearing Bates numbers
18 W-WF-0002782 through and including
19 2785.
20 And Bartsch 16 will be a
21 document bearing Bates numbers
22 W-WF-0002780 and 2781.
23 (Witness peruses document.)
24 MR. MYERS: Is 16 this Thursday
25 September 26th e-mail?
[Page 163]

1 Bartsch
2 MR. NICOLETTI: That's it.
3 MR. MYERS: Thank you.
4 BY MR. NICOLETTI:
5 Q. Mr. Bartsch, let me go one at a
6 time. Let's look at Bartsch 14. Can you
7 identify that document?
8 A. This is an e-mail from Noreen at
9 Allianz discussing coverage for storage and
10 Brazil.
11 Q. That's the very first e-mail on the
12 exhibit; is that correct? It's an e-mail
13 string?
14 A. Yes. That's the first e-mail on
15 top, yes.
16 Q. Right. But am I -- are these
17 e-mails the continued negotiations you had
18 with Ms. Brosnan at AGCS leading up to the
19 possible placement of the policy with
20 Allianz?
21 A. Yes.
22 Q. And the subject matters discussed in
23 this e-mail string are premium; is that
24 correct?
25 A. Yes.
[Page 164]

1 Bartsch
2 Q. Storage losses and deductibles?
3 MR. SATNICK: Is that a
4 question?
5 MR. NICOLETTI: Yes.
6 Q. Is that also being --
7 MR. SATNICK: I just heard you
8 make a statement. I didn't hear a
9 question.
10 Q. Is that also being discussed in this
11 e-mail string?
12 A. Not necessarily.
13 Q. Well, it says on the first page,
14 perhaps, that they are now willing to take a
15 deductible of .05 percent subject to the
16 minimum of 250,000 full storage losses?
17 A. Right.
18 Q. Does that refresh your recollection
19 that that was a topic being discussed in
20 these e-mails?
21 A. Oh, yes. I just wanted to be sure
22 that we weren't talking about actual storage
23 losses.
24 Q. I said that, but that's okay.
25 Do you recall discussing any other
[Page 165]

| | | | |
|----|---|----|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | items about the potential coverage to be | 2 | Q. And this followed on all of your |
| 3 | afforded under the Allianz policy other than | 3 | negotiations with Ms. Brosnan about the |
| 4 | what's reflected in Bartsch 14? | 4 | revised quote; is that correct? |
| 5 | A. I don't recall. | 5 | A. Yes. |
| 6 | Q. Now, had you had any discussions | 6 | Q. Again, other than what's reflected |
| 7 | concerning the bulk oil clauses guaranteed | 7 | in this e-mail you sent to Mr. Hornaday, did |
| 8 | outturn they would have been reflected in | 8 | you have any further -- did you discuss |
| 9 | this e-mail? | 9 | anything further with him about the revised |
| 10 | MR. MYERS: Objection. Form. | 10 | quote or the Allianz quote in general? |
| 11 | A. No. | 11 | A. I don't recall. |
| 12 | Q. Excuse me? | 12 | Q. Did you ever make any phone calls to |
| 13 | A. Not in this specific e-mail. | 13 | Mr. Hornaday about the Allianz quote? |
| 14 | Q. But it would be recorded in some | 14 | A. Yes. |
| 15 | e-mail, would it not? | 15 | Q. When did they take place in |
| 16 | MR. MYERS: Same objection. | 16 | reference to these e-mails? |
| 17 | A. Yes. | 17 | A. At the same time. |
| 18 | Q. Let's turn now to Exhibit 15. Can | 18 | Q. Do you recall speaking to |
| 19 | you identify this group of documents which I | 19 | Mr. Hornaday after you sent him the revised |
| 20 | will represent to you is another e-mail | 20 | quote as reflected in Bartsch 16? |
| 21 | string? | 21 | A. I don't recall. |
| 22 | (Witness peruses document.) | 22 | Q. If that conversation with |
| 23 | A. This is the revised quote from | 23 | Mr. Hornaday involved any additional requests |
| 24 | Allianz. | 24 | or explanation of coverage, is that something |
| 25 | Q. And what were the revisions to the | 25 | you would have put in writing? |
| | [Page 166] | | [Page 168] |
| 1 | Bartsch | 1 | Bartsch |
| 2 | original quote? | 2 | A. Yes. |
| 3 | A. Premium. | 3 | MR. NICOLETTI: Let's have this |
| 4 | Q. Okay. Anything else? | 4 | next document marked as Bartsch 17. |
| 5 | A. Storage deductible. | 5 | It bears production control numbers |
| 6 | Q. Anything else? | 6 | W-WF-0002770 through and including |
| 7 | A. And a revised quote for premium on | 7 | 2772. |
| 8 | Brazil. | 8 | (Whereupon, at this time, the |
| 9 | Q. Do you recall having any other | 9 | reporter marked the above-mentioned |
| 10 | discussions about the policy terms and | 10 | e-mail to Malcolm Tyler as Bartsch |
| 11 | conditions outlined in the Allianz quote | 11 | Exhibit 17 for identification.) |
| 12 | other than what's reflected in Bartsch 15? | 12 | BY MR. NICOLETTI: |
| 13 | A. Not at this time. | 13 | Q. Mr. Bartsch, please review Bartsch |
| 14 | Q. If there was something else would it | 14 | 17, which I will represent to you is an |
| 15 | be in writing? | 15 | e-mail from yourself to Tyler, to Malcolm |
| 16 | A. Yes. | 16 | Tyler, and it looks like Rosalind Spittle. |
| 17 | Q. Let me turn your attention now to | 17 | Do you see that? |
| 18 | Bartsch 16, which is another e-mail string. | 18 | A. Yes. |
| 19 | Can you identify what this document | 19 | Q. Who is Malcolm Tyler and who is |
| 20 | is? | 20 | Rosalind Spittle? |
| 21 | A. This is providing David Hornaday at | 21 | A. Willis marine brokers in London. |
| 22 | World Fuel the revised quote from Allianz. | 22 | Q. What are you telling them? |
| 23 | Q. Then you send this out roughly on | 23 | A. I'm giving them an update on the |
| 24 | Thursday, September 26, 2013? | 24 | quote between Allianz and London. |
| 25 | A. Yes. | 25 | Q. And it says here, I think client |
| | [Page 167] | | [Page 169] |

| | | | |
|----|--|----|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | A. I'm sorry. | 2 | get David's approval of the limit. |
| 3 | Q. You indicated early on that | 3 | Q. Anything else that needed |
| 4 | Ms. Brosnan had sent you a form which you | 4 | clarification as of October 1, 2013 with |
| 5 | found too limited, correct? | 5 | regards to the policy that AGCS has agreed to |
| 6 | A. Correct. | 6 | issue? |
| 7 | Q. My question is, are these the terms | 7 | A. Whether they -- World Fuel wants to |
| 8 | you provided her? | 8 | purchase TRIA insurance, terrorism, for an |
| 9 | A. I don't know. | 9 | additional premium of 25,000. We also |
| 10 | Q. Okay. We will move on. I think we | 10 | question whether World Fuel would like to |
| 11 | can clarify that later. | 11 | include the Brazil local policy effective |
| 12 | MR. MYERS: We have gone for | 12 | October 1st. And it was a general question |
| 13 | about an hour. Should we take a bio | 13 | on how often in the past World Fuel used |
| 14 | break before completing? | 14 | guaranteed outturn insurance. |
| 15 | MR. NICOLETTI: We can. | 15 | Q. The bulk oil clause is guaranteed |
| 16 | VIDEOGRAPHER: Okay. Stand by. | 16 | outturn; is that correct? |
| 17 | The time right now is 3 p.m. and we | 17 | A. Yes. |
| 18 | are off the record. | 18 | Q. Attached to it is the quote you sent |
| 19 | (Whereupon, a brief recess was | 19 | on to -- the Allianz quote you sent on to |
| 20 | taken.) | 20 | Mr. Hornaday? |
| 21 | VIDEOGRAPHER: This marks the | 21 | A. Yes. Also asked about local |
| 22 | beginning of tape number four. The | 22 | policies in our countries including Canada. |
| 23 | time right now is 3:10 p.m. We are | 23 | Q. Under other items it says Allianz's |
| 24 | back on the record. | 24 | preference would be to maintain the broad |
| 25 | MR. NICOLETTI: Let's have this | 25 | form all-risk coverage with the GOT which I |
| | [Page 174] | | [Page 176] |
| 1 | Bartsch | 1 | Bartsch |
| 2 | next document marked as Bartsch 20 | 2 | assume is guaranteed outturn option? |
| 3 | for identification. It bears | 3 | A. Yes. |
| 4 | production control numbers | 4 | Q. What did you understand Allianz to |
| 5 | W-WF-0002275 through and including | 5 | be saying there? |
| 6 | 2743. | 6 | A. They want the primary coverage to be |
| 7 | (Whereupon, at this time, the | 7 | all risk. Not guaranteed outturn. |
| 8 | reporter marked the above-mentioned | 8 | Q. And how was that finally resolved? |
| 9 | e-mail to David Hornaday as Bartsch | 9 | A. They agreed to guaranteed outturn |
| 10 | Exhibit 20 for identification.) | 10 | coverage as the primary coverage. |
| 11 | BY MR. NICOLETTI: | 11 | Q. But it would still be on all-risk |
| 12 | Q. Can you identify that document, sir, | 12 | terms, though? |
| 13 | the first two pages? | 13 | A. All risk extended to include |
| 14 | (Witness peruses document.) | 14 | shortage leakage, howsoever arising. |
| 15 | A. It's an e-mail to David Hornaday. | 15 | Q. That's the guaranteed outturn |
| 16 | Q. Okay. | 16 | portion, is it? |
| 17 | A. Advising that we bind coverage with | 17 | A. Yes. |
| 18 | Allianz, but we needed his clarification on a | 18 | MR. NICOLETTI: Let's have this |
| 19 | couple of questions from Allianz. | 19 | next document marked as Bartsch 21. |
| 20 | Q. And what were those questions? | 20 | It bears production control numbers |
| 21 | A. I'm reading through. | 21 | W-WF-0002701 through 2724. |
| 22 | Q. Please do. | 22 | (Whereupon, at this time, the |
| 23 | (Witness peruses document.) | 23 | reporter marked the above-mentioned |
| 24 | A. One question has to do with funding | 24 | revised quotation as Bartsch Exhibit |
| 25 | location limits for inventory insurance to | 25 | 21 for identification.) |
| | [Page 175] | | [Page 177] |

[45] (Pages 174 to 177)

| | | | |
|------------|--|------------|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | BY MR. NICOLETTI: | 2 | Mr. Hornaday immediately and when not to? |
| 3 | Q. Focus on the pages of Bartsch 21, | 3 | MR. MYERS: Objection. Form. |
| 4 | the first page which is 2071 through and | 4 | Assumes facts not established. |
| 5 | including 2707. | 5 | MR. NICOLETTI: You can answer |
| 6 | Can you identify that group of | 6 | subject to your attorney's comments. |
| 7 | documents? | 7 | MR. SATNICK: Go right ahead. |
| 8 | (Witness peruses document.) | 8 | A. When the agreement was reached on |
| 9 | A. This is Noreen at Allianz's revised | 9 | any changes. |
| 10 | quotation. | 10 | Q. So during the back and forth until |
| 11 | Q. Well, if you look at Bartsch 20, | 11 | you got something final from AGCS, you would |
| 12 | that's dated October 1, 2013 at 9:59 a.m. and | 12 | not contact Hornaday; is that correct? |
| 13 | this one is at 10:31 a.m. | 13 | MR. MYERS: Same objections. |
| 14 | Is this a revised quotation or is | 14 | A. Until it was finalized, yes. |
| 15 | this a revised binder or order? | 15 | MR. NICOLETTI: Let's have this |
| 16 | A. This is the revised quote based on | 16 | marked as Bartsch Exhibit 22. It |
| 17 | the agreed changes. | 17 | bears production control numbers |
| 18 | Q. Okay. Was it your understanding | 18 | W-WF-0002680 through and including |
| 19 | that as of October 1st, Allianz had agreed to | 19 | 2700. |
| 20 | issue this policy? | 20 | (Whereupon, at this time, the |
| 21 | A. Yes. | 21 | reporter marked the above-mentioned |
| 22 | Q. But you're still working out the | 22 | e-mail with revised terms as Bartsch |
| 23 | details? | 23 | Exhibit 22 for identification.) |
| 24 | A. Yes. | 24 | BY MR. NICOLETTI: |
| 25 | Q. Again, do you recall having any | 25 | Q. Can you identify the documents of |
| [Page 178] | | [Page 180] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | discussions with Ms. Brosnan during this | 2 | exhibit Bartsch 22 from W-WF-2680 through |
| 3 | rapid exchange of negotiations on the final | 3 | 2683? What do these documents represent? |
| 4 | form of the Allianz policy concerning the | 4 | A. These are revised terms, so to |
| 5 | attachment of coverage to any shipment -- | 5 | speak, that represented and agreed with World |
| 6 | A. No. | 6 | Fuel -- these were revised terms that were |
| 7 | Q. -- concerning the ending of coverage | 7 | agreed with and discussed with World Fuels to |
| 8 | for any shipment? | 8 | the policy. |
| 9 | A. No. | 9 | Q. And where they did agree they put |
| 10 | Q. Now, during this period of time | 10 | the words as agreed before each particular |
| 11 | where you are having this continuous exchange | 11 | items you were discussing? |
| 12 | of discussions through e-mails with | 12 | A. Yes. |
| 13 | Ms. Brosnan about various elements of the | 13 | Q. Again, we have other items, and is |
| 14 | policy, are you in constant contact with | 14 | Allianz still discussing using the broad form |
| 15 | Mr. Hornaday? | 15 | bulk oil clauses as opposed to the bulk oil |
| 16 | MR. MYERS: Objection to form. | 16 | clauses guaranteed outturn? |
| 17 | Q. Are you in contact with | 17 | A. Yes. |
| 18 | Mr. Hornaday? | 18 | Q. So this is still an open issue as of |
| 19 | A. I don't recall the specific days | 19 | October 1st -- |
| 20 | that I was in contact with him. | 20 | A. Yes. |
| 21 | Q. Were there times when you had | 21 | Q. -- at -- 2013 at 10:46? |
| 22 | exchanges with Ms. Brosnan where you would | 22 | A. Yes. |
| 23 | not update Mr. Hornaday immediately? | 23 | Q. Again, you had no discussions |
| 24 | A. Yes. | 24 | concerning when coverage would attach to a |
| 25 | Q. How did you decide when to contact | 25 | shipment or when it would not? |
| [Page 179] | | [Page 181] | |

[46] (Pages 178 to 181)

| | | | |
|------------|--|------------|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | A. Correct. | 2 | clauses SP 13C as the fallback position. |
| 3 | Q. Is that correct? | 3 | Q. That's a limited coverage, isn't it? |
| 4 | A. Correct. | 4 | A. Be yes. |
| 5 | MR. NICOLETTI: Let's mark this | 5 | Q. The SP 13 form is not guaranteed |
| 6 | last group of documents I have in | 6 | outturn broad form, that's a separate form, |
| 7 | this folder as Bartsch 23. | 7 | isn't it? |
| 8 | MR. SATNICK: What a tease. | 8 | A. Correct. |
| 9 | MR. NICOLETTI: Let's mark this | 9 | Q. So at this point Allianz has agreed |
| 10 | document, Exhibit 23, bears control | 10 | not to include as one of the bulk oil clauses |
| 11 | numbers W-WF-002676 through and | 11 | the broad form; is that correct? |
| 12 | including 0002679. | 12 | A. What do you mean by broad form? |
| 13 | (Whereupon, at this time, the | 13 | Q. No guaranteed outturn. |
| 14 | reporter marked the above-mentioned | 14 | A. I'm sorry, guaranteed outturn is the |
| 15 | e-mail correspondence as Bartsch | 15 | agreed coverage. |
| 16 | Exhibit 23 for identification.) | 16 | Q. Do you know if there are more than |
| 17 | BY MR. NICOLETTI: | 17 | one or two or three bulk oil clause |
| 18 | Q. Mr. Hornaday, can you identify this | 18 | groupings? |
| 19 | document Bartsch 23? | 19 | A. I don't know. SP 13C is |
| 20 | A. This is an e-mail from Noreen at | 20 | historically the printed form. |
| 21 | Allianz to myself asking for which option of | 21 | Q. That's the most limited coverage? |
| 22 | coverage World Fuel wishes to bind. | 22 | MR. MYERS: Objection. Form. |
| 23 | Q. What were the options? | 23 | Q. Or more limited than -- |
| 24 | A. Basically premium and whether you | 24 | A. More limited than guaranteed |
| 25 | chose a lower premium or the higher premium | 25 | outturn, yes. |
| [Page 182] | | [Page 184] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | and one included the profit sharing, one | 2 | Q. But there is also something |
| 3 | didn't. | 3 | called -- also bulk liquid -- bulk oil liquid |
| 4 | Q. Anything else in this e-mail from | 4 | clauses dash broad form, are there not? |
| 5 | Ms. Brosnan to yourself which is dated | 5 | A. Yes. |
| 6 | October 1, 2013 at 12:04 p.m.? | 6 | Q. So there are three basic forms? |
| 7 | MR. MYERS: Other than what it | 7 | A. Yes. |
| 8 | says? Objection. Form. | 8 | Q. Right. So Allianz agreed not to use |
| 9 | Q. You understand, anything else being | 9 | the broad form but agreed to use the GOT or |
| 10 | discussed other than those options? | 10 | guaranteed outturn; is that correct? |
| 11 | A. No. | 11 | A. Yes. |
| 12 | Q. Look at pricing slash terms | 12 | Q. And you -- and Willis supplied them |
| 13 | applicable to both options. | 13 | with that form for guaranteed outturn; is |
| 14 | A. Right. | 14 | that correct? |
| 15 | Q. It says, we will agree to GOT cover | 15 | A. Yes. |
| 16 | for vessel shipments. | 16 | MR. NICOLETTI: Let's mark this |
| 17 | What was your understanding of that | 17 | next group of documents marked as |
| 18 | statement? | 18 | Bartsch Exhibit 24. It bears |
| 19 | A. That would be the primary insurance | 19 | production control numbers |
| 20 | on all bulk liquid shipments, guaranteed | 20 | W-WF-0002629 through and 2636. |
| 21 | outturn. | 21 | (Whereupon, at this time, the |
| 22 | Q. So Allianz agreed not to include | 22 | reporter marked the above-mentioned |
| 23 | bulk oil liquids broad form; is that correct? | 23 | e-mail confirmation as Bartsch |
| 24 | A. Well, they included guaranteed | 24 | Exhibit 24 for identification.) |
| 25 | outturn as the primary coverage with bulk oil | 25 | BY MR. NICOLETTI: |
| [Page 183] | | [Page 185] | |

1 **Bartsch**
2 A. It was early on.
3 **Q. You were trying to help your**
4 **insured --**
5 A. Correct.
6 **Q. -- present a claim that would be**
7 **payable; isn't that correct?**
8 A. Correct.
9 **Q. Part of that process, you are going**
10 **out to other underwriters to get their views**
11 **on the fraudulent bill of lading clause;**
12 **isn't that correct?**
13 A. Correct.
14 **Q. And you contacted underwriters,**
15 **possibly Mr. Lang, possibly Mr. Secora?**
16 A. Possibly.
17 **Q. What other underwriting companies do**
18 **you do a volume of business with or whom you**
19 **feel comfortable making inquiries?**
20 A. Travelers.
21 **Q. Who at Travelers did you contact?**
22 A. Again, there are numerous
23 underwriters at these carriers and I don't
24 recall specifically who I might have spoke
25 to, and I'm sure they wouldn't remember.

[Page 214]

1 **Bartsch**
2 **Q. Well, some of them do maybe. My**
3 **question to you is, as you sit here today,**
4 **you make a statement in your e-mail to your**
5 **colleague in London, you're checking the**
6 **market but you can't recall anyone at the**
7 **market who you actually checked with; is that**
8 **correct?**
9 A. Not specifically, no.
10 **Q. Do you recall what they said to you?**
11 A. That, I mean, the general feeling is
12 that coverage is provided based on the full
13 extent of the coverage, if they knew it was
14 the Willis form.
15 **Q. But you specifically asked them**
16 **about the fraudulent bill of lading clause,**
17 **did you not?**
18 A. Correct.
19 **Q. What did they say to you about the**
20 **fraudulent bill of lading clause, if you can**
21 **recall?**
22 A. Again, I can't recall. It wasn't
23 e-mail written form. It was general
24 discussion over lunch or something.
25 **Q. Well, did you discuss with them what**

[Page 215]

1 **Bartsch**
2 **was meant by other shipping documents, which**
3 **is the last phrase in the fraudulent bill of**
4 **lading clause?**
5 A. Yes.
6 **Q. Do you recall what they said to you**
7 **about what would be made up or would be**
8 **defined as other shipping documents?**
9 A. In general terms the discussion was
10 based on other shipping documents.
11 **Q. Right.**
12 A. And they asked me, what do you have
13 as a shipping document. And I respond, we
14 have a contract which is an agreement to
15 supply and ship gas oil for the DLA.
16 **Q. So you told them that?**
17 A. Sure.
18 **Q. And what did they say, if you can**
19 **recall?**
20 A. Based on the contract to ship fuel
21 oil that would be a shipping document.
22 **Q. And which of the underwriters said**
23 **that?**
24 A. Again --
25 **Q. I'll check with them, don't worry.**

[Page 216]

1 **Bartsch**
2 A. I don't recall.
3 **Q. They are all my friends, I can call.**
4 **Thank you.**
5 Now, you go on to say, we have an
6 **alleged phony solicitation for bid which WFS**
7 **signed. That's the contract you were**
8 **referring to?**
9 A. Yes.
10 **Q. How come you don't say in this**
11 **e-mail, and we consider that to be a**
12 **fraudulent document, a fraudulent shipping**
13 **document, if that's your conclusion?**
14 A. Again, I'm soliciting resources to
15 get background information on what they feel
16 about the fraudulent bill of lading clause.
17 I'm not presenting a claim for payment until
18 I know the facts and I have all this
19 information I can get from the market.
20 **Q. Well, you don't present the claim**
21 **anyway, Mr. Frandsen does that?**
22 A. Correct.
23 **Q. So you're trying to help**
24 **Mr. Frandsen?**
25 A. I'm trying to help the client, you

[Page 217]

| | | | |
|------------|--|------------|--|
| 1 | Bartsch | 1 | Bartsch |
| 2 | know, and understand what happened at the | 2 | A. Yes. |
| 3 | same time. | 3 | Q. What's the basis of that |
| 4 | Q. Have you read any textbooks, any | 4 | understanding? |
| 5 | professional source material, which defines a | 5 | A. Without that contract calling for a |
| 6 | sales contract or a purchase order as a | 6 | delivery of the gas oil, you would have no |
| 7 | shipping document? | 7 | need for shipping documents. |
| 8 | MR. MYERS: Objection. Form. | 8 | Q. No need for shipping documents. |
| 9 | A. Nothing -- no textbook that I can | 9 | So -- |
| 10 | recall. | 10 | A. Which includes the contract, and the |
| 11 | Q. When you talked to these | 11 | purchase order. |
| 12 | underwriters whose names you can't recall, | 12 | Q. Okay. And -- |
| 13 | did any of them reference you to any material | 13 | A. But if you go to customs or any -- |
| 14 | which would support the contention that a | 14 | Q. Do you have any -- |
| 15 | purchase order or sales contract is a | 15 | MR. SATNICK: Let him finish |
| 16 | shipping document? | 16 | the question, please. |
| 17 | A. They didn't direct me to any | 17 | Q. Okay. Keep going, keep going. |
| 18 | resource. | 18 | A. If you go to customs on an import, |
| 19 | Q. Did they -- | 19 | you have to show all the documents with |
| 20 | A. Their opinion, the shipment would | 20 | regard to the shipment which includes |
| 21 | not have occurred without the contract and | 21 | invoices and purchase orders. |
| 22 | the purchase order. | 22 | Q. Does it include a contract for |
| 23 | Q. True. But you didn't need the | 23 | purchase? |
| 24 | contract to put the cargo in the vessel, did | 24 | A. I'm sure it does. |
| 25 | you, for its carriage? | 25 | Q. What's your background in customs? |
| [Page 218] | | [Page 220] | |
| 1 | Bartsch | 1 | Bartsch |
| 2 | MR. MYERS: Objection of form. | 2 | A. I have no background in customs. |
| 3 | Q. Did you? | 3 | Q. Do you know what customs actually |
| 4 | MR. MYERS: Foundation. | 4 | requires to clear cargo? |
| 5 | Q. Isn't that an independent charter | 5 | A. It varies by country. |
| 6 | policy or charter contract? | 6 | Q. In United States? |
| 7 | A. I'm not -- | 7 | A. You need a customs bond. |
| 8 | Q. Are you familiar with shipping | 8 | Q. Anything else? |
| 9 | documents? | 9 | A. Proof that you paid the duty. |
| 10 | A. Yes. | 10 | Q. Anything else? |
| 11 | Q. Other than bills of lading, what | 11 | A. Invoice. |
| 12 | other shipping documents are you familiar | 12 | Q. Anything else? |
| 13 | with? | 13 | A. Invoice. |
| 14 | A. Contract of affreightment. | 14 | Q. The invoice. Contract of sale? |
| 15 | Q. Okay. That's a charter party. What | 15 | A. Yes. Invoice. |
| 16 | else? | 16 | Q. You consider an invoice a contract |
| 17 | A. A charter. | 17 | for sale? |
| 18 | Q. Okay. | 18 | A. Interchangeable. |
| 19 | A. Of course, bill of lading. Those | 19 | Q. Okay. |
| 20 | are the general shipping documents that form | 20 | MR. SATNICK: It's 4 o'clock, |
| 21 | part of the contract that the contract calls | 21 | folks. |
| 22 | for you to arrange for the shipping. | 22 | MR. NICOLETTI: I got one more |
| 23 | Q. So is it your understanding that any | 23 | thing I want to go into with him. |
| 24 | contract that arranges for shipping is a | 24 | MR. SATNICK: Make it brief. |
| 25 | shipping document? | 25 | MR. NICOLETTI: I will. |
| [Page 219] | | [Page 221] | |

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

AGCS MARINE INSURANCE COMPANY,

Plaintiff,

-against-

WORLD FUEL SERVICES, INC. and WORLD
FUEL SERVICES EUROPE, LTD.,

Defendants.

-----X

August 26, 2015

10:08 a.m.

VOLUME II

THE CONTINUED VIDEOTAPED EXAMINATION
BEFORE TRIAL of ROBERT BARTSCH, a Non-Party
Witness, by John Nicoletti, held at 88 Pine
Street, 7th Floor, New York, New York 10005,
before a shorthand reporter and Notary Public
within and for the State of New York.

| | | | |
|------------|---|------------|---|
| 1 | R. BARTSCH | 1 | R. BARTSCH |
| 2 | You have before you now Bartsch 34. | 2 | on the crime policy. |
| 3 | Have you ever seen this document | 3 | Q. Your were copied on this? |
| 4 | before? | 4 | A. Yes. |
| 5 | A. I don't recall seeing it. | 5 | Q. And this e-mail is dated June 19, |
| 6 | Q. Okay. Move on. | 6 | 2014? |
| 7 | Let's have this next document mark as | 7 | A. Yes. |
| 8 | Bartsch 35. Control W-WF four zeros 2999 | 8 | Q. Right up through June 19, 2014, was |
| 9 | through and including 301. | 9 | Willis pursuing coverage under a crime |
| 10 | Mr. Bartsch, I will take something out | 10 | policy on behalf of World Fuels? |
| 11 | of order. | 11 | A. Willis was exploring all policies for |
| 12 | Prior to coming here today, have you | 12 | World Fuel. |
| 13 | ever met with any counsel for World Fuels | 13 | Q. What policies were they exploring? |
| 14 | to discuss your deposition? | 14 | A. The marine and the crime. |
| 15 | A. No. | 15 | Q. Were they ever pursuing a claim under |
| 16 | Q. Have you ever met anyone from World | 16 | the cyber policy? |
| 17 | Fuels counsel office? | 17 | MR. MYERS: Objection. |
| 18 | A. No. | 18 | To the form of the question |
| 19 | Q. Between your last deposition and today | 19 | A. No. |
| 20 | have you discussed this matter with | 20 | Q. Did Willis place a cyber policy for |
| 21 | anybody at World Fuels? | 21 | World Fuels? |
| 22 | A. No. | 22 | A. I don't know. |
| 23 | Q. Between your last deposition and | 23 | Q. Who was handling the claim at Willis |
| 24 | today, have you ever discussed this matter | 24 | for the crime policy claim? |
| 25 | with anyone at Willis? | 25 | A. I'm not sure, but everything was going |
| [Page 266] | | [Page 268] | |
| 1 | R. BARTSCH | 1 | R. BARTSCH |
| 2 | A. No. | 2 | through Adam Cantor. |
| 3 | Q. Have you ever discussed between your | 3 | Q. Did you have an understanding what the |
| 4 | last deposition and today, have you ever | 4 | decision by the crime policy underwriter |
| 5 | discussed this matter with anyone with the | 5 | was with respect to the payment of this |
| 6 | exception of your attorney? | 6 | claim? |
| 7 | A. No. | 7 | A. No. |
| 8 | MR. SATNICK: That would | 8 | Q. Do you know if they denied the claim? |
| 9 | include me. | 9 | A. I don't know. |
| 10 | A. Still no. | 10 | Q. Let's have this next document marked |
| 11 | EXAMINATION BY | 11 | as Bartsch 37. |
| 12 | MR. NICOLETTI: | 12 | Control W-WF three zeros 2533, 3, |
| 13 | Q. Let me hand you what is marked as | 13 | through including 2537. |
| 14 | Bartsch 35. | 14 | With respect to your prior testimony, |
| 15 | Have you ever seen this document | 15 | concerning the fraudulent contract of |
| 16 | before? | 16 | purchase order to be a shipping document, |
| 17 | A. I don't believe so, no. | 17 | did you ever discuss that understanding |
| 18 | Q. Lets have this document marked as | 18 | with anyone at AGCS prior to the placement |
| 19 | Bartsch 36. | 19 | of the policy? |
| 20 | W-WF four zeros 496 through 499. | 20 | A. No. |
| 21 | Mr. Bartsch, handing you what's marked | 21 | Q. Did you ever discuss that |
| 22 | as Bartsch 36. | 22 | understanding that you held that you now |
| 23 | Can you identify this document. | 23 | hold with anyone at AGCS after the claim |
| 24 | A. It's e-mail from M. Cantor Willis | 24 | arose? |
| 25 | Crime with to John Frandsen Willis Claims | 25 | A. I don't think so. |
| [Page 267] | | [Page 269] | |

[11] (Pages 266 to 269)

| | | | |
|------------|--|------------|---|
| 1 | R. BARTSCH | 1 | R. BARTSCH |
| 2 | Q. Now, regarding Bartsch 37. | 2 | Is that Cantor? |
| 3 | Can you identify that document. | 3 | A. Yes. |
| 4 | A. It is a letter from Tom Curran and | 4 | Q. (Reading.) |
| 5 | Allianz Claims to John Frandsen, Willis | 5 | To determine the best possible slash |
| 6 | Claims on the claim. | 6 | potential solution now that we have the |
| 7 | Q. Did you receive a copy of that letter | 7 | response from marine and crime. |
| 8 | on or around July 17, 2014? | 8 | Do you see that? |
| 9 | A. I don't recall. | 9 | A. Yes. |
| 10 | Q. Do you recall ever receiving this | 10 | Q. What response from the marine market |
| 11 | letter, a copy of the letter? | 11 | are you referring to? |
| 12 | A. No. | 12 | A. Allianz's reservation of rights |
| 13 | Q. Are you aware that Allianz declined | 13 | letter. |
| 14 | this claim by World Fuels? | 14 | Q. Not referencing the declination letter |
| 15 | A. No. | 15 | of July 17th? |
| 16 | Q. Do you have any recollection of ever | 16 | A. Again, I don't recall. |
| 17 | receiving what is marked as Bartsch 37 | 17 | Q. You go on to state: |
| 18 | prior to today? | 18 | I believe what is driving the response |
| 19 | A. I don't recall. | 19 | from Allianz Marine is that the shipment |
| 20 | Q. Do you recall ever reviewing a | 20 | occurred without fraudulent shipping |
| 21 | document which contains the information | 21 | documents. |
| 22 | which is set forth in Bartsch 37? | 22 | Do you see that? |
| 23 | A. What was that? Again? Sorry. | 23 | A. Yes. |
| 24 | Q. Putting aside whether you received | 24 | Q. Was that accurate when you wrote it? |
| 25 | this very document, did you ever receive a | 25 | A. At the time, yes. |
| [Page 270] | | [Page 272] | |
| 1 | R. BARTSCH | 1 | R. BARTSCH |
| 2 | document on or around July 17, 2014, whose | 2 | Q. But now you believe the purchase |
| 3 | contents were substantively the same as | 3 | invoice, the sales invoice, is the |
| 4 | what is set forth in Bartsch 37? | 4 | fraudulent shipping document -- |
| 5 | MR. MYERS: Objection. | 5 | MR. MYERS: Objection to the |
| 6 | To the form of the question. | 6 | form. |
| 7 | A. Again, I don't recall. | 7 | MR. NICOLETTI: Well -- |
| 8 | Q. Let's have this marked as Bartsch 38. | 8 | strike that. |
| 9 | (Whereupon, a document was marked as | 9 | EXAMINATION BY |
| 10 | Bartsch Exhibit Number 38) | 10 | MR. NICOLETTI: |
| 11 | And control W-WF three zeros 2543 and | 11 | Q. Let's do it this way. |
| 12 | 2544. | 12 | You just said then. |
| 13 | Could you identify 38, Bartsch 38? | 13 | What is your position now? |
| 14 | A. E-mail from David Hornaday to myself | 14 | A. My position is that the contract with |
| 15 | and John Frandsen. | 15 | the DLA was an order to ship product. |
| 16 | Q. And below, an e-mail from yourself to | 16 | Q. Which makes it what? |
| 17 | Hornaday? | 17 | A. A shipping document. |
| 18 | A. Yes. | 18 | Q. Do you have any technical support for |
| 19 | Q. This e-mail is dated July 22, 2014? | 19 | that, any treatise, any case law, anybody |
| 20 | A. Correct. | 20 | telling you that? |
| 21 | Q. Now, and if you look at the first | 21 | A. No. |
| 22 | paragraph -- | 22 | Q. So this is solely your own |
| 23 | A. Yeah. | 23 | understanding. Without any outside -- |
| 24 | Q. -- telling Mr. Hornaday: | 24 | A. There would be no shipping without a |
| 25 | We need to sit down with Adam. | 25 | contract to ship in the first place. |
| [Page 271] | | [Page 273] | |

| | | | |
|------------|---|------------|---|
| 1 | R. BARTSCH | 1 | R. BARTSCH |
| 2 | policy. | 2 | certain specified peril clauses. |
| 3 | MR. NICOLETTI: Objection. | 3 | Generally, do you recall that you |
| 4 | To the form of the question. | 4 | testified on those topics? |
| 5 | A. This was when it was moved from | 5 | A. Yes. |
| 6 | Allianz to London. | 6 | Q. Have you ever seen scenarios, in which |
| 7 | Q. I take it you were involved in the | 7 | a loss was covered under both an all risk |
| 8 | negotiations with markets, including | 8 | provision and under separate perils |
| 9 | Allianz and London, over who would provide | 9 | clauses? |
| 10 | the marine cargo? | 10 | MR. NICOLETTI: Objection. |
| 11 | A. Yes. | 11 | To the form of the question. |
| 12 | Q. Did you develop any impressions as to | 12 | A. Yes. |
| 13 | Allianz AGCS's willingness to stay on the | 13 | Q. Is that unusual? |
| 14 | risk? | 14 | MR. NICOLETTI: Objection. |
| 15 | MR. NICOLETTI: Objection. | 15 | To the form of the question. |
| 16 | To the form of the | 16 | A. No. |
| 17 | question. | 17 | Q. So several clauses in any Willis form |
| 18 | A. Allianz gave a impression that they | 18 | marine cargo policy could apply to any one |
| 19 | would stay on the risk, but at a premium | 19 | particular loss? |
| 20 | and coverage terms yet to be determined. | 20 | MR. NICOLETTI: Objection. |
| 21 | Q. Did you develop any impressions about | 21 | To the form of the question. |
| 22 | whether in your view, AGCS Allianz wanted | 22 | A. Yes. |
| 23 | to continue to insure World Fuel? | 23 | Q. Mr. Nicoletti this morning asked you a |
| 24 | MR. NICOLETTI: Objection. | 24 | few questions about exhibit 32. |
| 25 | To the form of the question. | 25 | I wanted to follow up on that. |
| [Page 334] | | [Page 336] | |
| 1 | R. BARTSCH | 1 | R. BARTSCH |
| 2 | A. My viewpoint was that they -- the | 2 | This is an e-mail from you attaching |
| 3 | terms would not be competitive. | 3 | the reservation letter? |
| 4 | Q. The terms would not be competitive in | 4 | A. Yes. |
| 5 | terms of pricing? In terms of | 5 | Q. And the portion that Mr. Nicoletti |
| 6 | conditions? In what manner? | 6 | focused on that I wanted to ask you about, |
| 7 | MR. NICOLETTI: Objection. | 7 | is: |
| 8 | To the form of the question. | 8 | I am surprised they are not talk |
| 9 | A. The pricing and actually the limited | 9 | fraudulent bill of lading clause. |
| 10 | liability. The indication was that they | 10 | In that sentence -- well, strike that. |
| 11 | would cut their limit in half. | 11 | I didn't see in the attached |
| 12 | Q. Did you make any recommendations to | 12 | reservation letter, any reference to the |
| 13 | World Fuels as to with whom they should | 13 | fraudulent bill of lading clause in the |
| 14 | insure cargo losses going forward? | 14 | policy at issue. |
| 15 | A. Yes. | 15 | Did you see one? |
| 16 | MR. NICOLETTI: Objection. | 16 | A. No. |
| 17 | To the form of the question. | 17 | Q. So is what you are talking about there |
| 18 | Q. What were your recommendations? | 18 | you're surprised that Allianz had not |
| 19 | A. Based on the requirements for limits | 19 | mentioned fraudulent bill of lading |
| 20 | of liability, we indicated that London | 20 | clause? |
| 21 | would be the best market for the risk. | 21 | MR. NICOLETTI: Objection. |
| 22 | Q. When last we were here, for the first | 22 | To the form of the question. |
| 23 | session of your deposition, Mr. Nicoletti | 23 | A. Yes. |
| 24 | asked you a bunch of questions about all | 24 | Q. And when you go to say that this was a |
| 25 | risk, coverage under marine cargo, and | 25 | fraudulent contract, not a fraudulent |
| [Page 335] | | [Page 337] | |